Our Foreign Branch Plants Page 9

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

CANADIAN MINING NEWS DEPARTMENT ON PAGES 15-16

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The Nation's Business

Will of Parliament Means Nothing To Customs Branch

Tax Reduction is Still Chief Issue In Government

Sir Henry Drayton Gets Big Job

Who Governs Canada Anyway?

THE customs branch at Ottawa is showing that it can be not only very arbitrary but very stubborn. For several years the tariff bureaucrats in the National Revenue Department have kept business in a state of continuous uncertainty by purely autocratic rulings, many of which defied the spirit of our tariff laws and some of which actually defied the text of the laws as passed by Parliament. The rulings have apparently been designed to use departmental routine to add a few more stones to the top of the tariff wall.

Challenged by the Tariff Board on the issue of the legality of some of these rulings the customs branch has replied by asking, in effect, who in the devil are these Tariff Board people that they should be butting into our personal affairs?

* * *

THE Prime Minister has a very delicate problem on his hands. As head of the government, he has been held responsible by the public and business men generally for the obstructionist administration of this department. There was some evidence a short while ago that Mr. Bennett was somewhat perturbed by the bureaucratic officiousness of the customs branch and that a more reasonable policy was to be invoked in the department. It may be that the recent change in ministers was not un*related to this* feeling on the part of the Prime Minister that salaried officials were giving general irritation to business and offending some of the countries, including Great Britain, with whom we hope to do an increasing export trade.

* * *

APPEALS from various rulings of the department were taken by interested business men to the Tariff Board, in its capacity as a court of appeal and the successor of the old Customs Appeal Board. In the case of certain arbitrary valuations on British goods and in the case of the dumping duty on tinplate the Tariff Board reversed the rulings of the department. Yet the department has apparently decided that the Tariff Board has no authority over it; in any event it has declined to accept the decisions as binding.

The strange spectacle was presented of one of the law officers of the Crown challenging the constitutionality and authority of the Tariff Board in the tinplate case.

* * *

IN SUCH circumstances the public can only appeal to the one man who is finally responsible for the administration of all branches of governments; the Prime Minister. He alone can decide whether or not a few petty officials in a governmental department are superior to both Parliament and the Tariff Board, a creation of Parliament.

Mr. Bennett's bona fides in regard to the fair administration of the tariff is put to the test in this matter. The fact that the problem is difficult only makes his opportunity greater.

* * *

Tax Reduction Still Chief Issue

NATURALLY one would be sharply attracted by a newspaper headline reading "Reduction of 25 per cent is expected in tax rate." Such a headline appeared in a Toronto paper the other day. Could such things be? One simply had to read the article below such an intriguing headline.

Then it was discovered that York Township, which had gotten into such a difficult financial position that its affairs were in the hands of a government-appointed board of supervisors, was going to have its entire relief burden taken over by "the government." This would in itself reduce the tax rate by nine mills and "assistance from other financial sources" would cause another drastic cut. What the nature of this assistance might be was not revealed.

* * *

THERE can be little doubt that the more rigorous control of the affairs of this township that has been instituted by the board of supervisors will bring about some reduction in expenditures, just as similar control has done in other bankrupt municipalities.

But it is useful to pause for a moment and consider the implica-

(Continued on page 2, col. 4)

Revenue Officials Challenge Powers Of Tariff Board

Government Officials Deny Tariff Board Has Any Power to Make Dump Duty and Tinplate Rulings

CABINET SEEN BACKING CUSTOMS BRANCH

Grave Constitutional Issue Raised at Ottawa When Tariff Board Rules Against Department and Law Officers Challenge Board

From Our Own Correspondent

OTTAWA.—Events in the governmental sphere of tariff enforcement moved with amazing speed this week revealing a clear-cut and apparently unbridgable chasm between the government and the National Revenue department on the one hand and the Tariff Board on the other. These events point to the following important developments in the immediate future:

1. Litigation in the courts to determine whether or not the Tariff Board has power to sit as a court of appeal in matters of tariff enforcement;

2. A thorough-going interpretation, to be brought about either as a direct amendment by Parliament or as a result of court decisions, of important phrases which appear in the tariff and the Customs Act—notably the phrase, "Made in Canada";

3. A re-defining of some of the terms used in the Ottawa treaties, particularly the extent to which the treaty guarantee of existing spreads between our preferential and intermediate and general tariffs applies.

In this tariff litigation which now appears inevitable, the Bennett government possibly and the National Revenue department certainly will be found arrayed against the Tariff Board. The sudden crystalization of a conflict of opinion, noticeable between the department and the Board in recent weeks, has left Parliament Hill somewhat breathless. This is the more true for the reason that the Government now assumes the rôle of chief critic of the Board and if the governmental opinions already expressed by counsel are pursued in the courts it will soon become obvious that the ministry proposes to destroy, in part, its own creation.

How to Decide Case

Baffling questions as to how the dispute can properly be placed before the courts now arise. How the Tariff Board could obtain the funds necessary to defend its constitutional position against the department and the Government is a question that no one can answer. Even more puzzling are lesser constitutional tangles which arise out of the provisions of existing statutes. For example, does the Tariff Board, in functioning as a Customs Appeal Board, do so as an administrative body under the Minister of National Revenue, or as an independent court? Do the decisions of the Tariff Board go for nothing unless signed by the minister, or is his signature mandatory?

And out of the general controversy now raging at Ottawa, emerges one clear-cut fact. If the recent decisions of the Tariff Board are right, the National Revenue Department acting, often, under Government orders-in-council, has gone beyond the law in applying special tariffs and dump duties. The special protection afforded by departmental rulings has been in excess of statutory authority. In a word, the department has broken the very laws for the administration of which it is responsible.

Board's Advisory Function

This constitutional controversy is restricted to one phase of the Tariff Board's activities. The Tariff Board discharges two functions. One is purely advisory. Under the Ottawa treaties it is the duty of the board to determine the difference in production costs as between Canada and other Empire countries and to report thereon to the Government. Under the treaties the Government is then pledged to enact a tariff based upon the difference in these costs. Furthermore, the Tariff Board is charged with the task of investigating and reporting upon all tariff matters referred to it by the Minister of

(Continued on page 2, col. 6)

Lords Hold Gold Clause Must Be Met in Bonds

Decide English Investor is Entitled to Receive Gold or Its Equivalent — Decision May Have Important Effect in Canada

Great Britain's Lords of Appeal in Ordinary, final court of appeal in England and Wales, have overruled lower courts by upholding the validity of the gold clause in bonds. In the case of Foist vs. Société Intercommunale d'Electricité, for payment in gold of a bond issued payable in "gold coin of the United Kingdom of, or equal to, the Standard of weight and fineness existing on Sept. 1, 1928," lower courts had held that tender of Bank of England notes satisfied the claim. Although bank notes are not now redeemable in gold in Great Britain, the Lords have reversed the decisions on Foist's appeal. The significance of this is that the decision is final as far as England and Wales are concerned. The Lords of Appeal, the judicial body of the House of Lords, give the final decisions in England and Wales, the Judicial Committee of the Privy Council being a body for settlement of Imperial cases.

Affects Many Bonds

The decision is expected to affect payment of various gold clause bonds issued in Great Britain, notably German bonds issued in 1930, and on which the Germans have contended the gold clause is no longer effective since abandonment of redemption of bank notes in gold in Great Britain. It might also have a bearing on any Canadian gold clause dispute. This might develop either by Canadian courts taking the British case as a precedent, or by action of the Judicial Committee of the Privy Council, last court of appeal for Canadian cases. The Lords of Appeal of the House of Lords also sit on the Privy Council, and presumably would not reverse this, their own decision. Tall, angular, Lord Macmillan of Royal Commission fame is one of the Lords of Appeal.

Damages assessable for non-payment under the terms of the gold clause would, by this decision, apparently be in an amount sufficient to give the payee the equivalent of what gold would be worth to him in legal tender notes.

The decisions in the lower courts, which were reversed, started with a ruling by Mr. Justice Lawrence that the contract was one to pay a sum of money. This payment, he held, could be satisfied by legal tender notes of the Bank of England. On appeal it was ruled that although the electric company had agreed to pay a debt in gold coin, and that the British legislature had said that it might be discharged by tendering banknotes. Thus the Appeal Court decided that tender of bank notes satisfied the debt. The Lords of Appeal, however, have decided that the payee is entitled to payment in gold or the equivalent rather than in bank notes.

Effects in Canada

The British decision is in opposition to those which have most recently been made in Canada and the United States on the subject. The nearest comparable decision in Canada was made in 1921 by Mr. Justice Hodgins in the Ontario Court of Appeal. He decided, as did the British Appeal Court, that the act of the Government of Canada in restricting gold circulation removed the responsibility of the debtor to pay gold or the equivalent.

As stated above, however, the new decision in England may have a more telling effect on future Canadian decisions. One which may come to trial is that of the Malden Trust Co., of Malden, Mass., against the city of Calgary. Action under the gold clause against the federal or provincial governments in Canada might be successful, if allowed. But these bodies cannot be sued unless they give their own sanction to the action by issuing a fiat. In the case of the city of Calgary, for instance, it is understood that the city claimed that the Dominion's embargo on gold payments prevented it meeting the gold clause

(Continued on page 5, col. 7)

BOWATER'S GROUP MEET OPPOSITION

Will Make Second Offer to Price Bros. Stockholders

DUKE-PRICE KEY

Rothermere and Beaverbrook Side With Power Firm in Fight for Control

From Our Own Correspondent

MONTREAL—Eric Bowater and his syndicate will announce shortly new terms to stockholders of Price Bros. and Co., as their answer to the offer put forward this week by Lord Rothermere, Lord Beaverbrook and the Duke-Price Power Co.

When the Bowater plan was announced originally, it was pointed out exclusively by The Financial Post that many hurdles had to be overcome before control of the property passed into other hands. One of the biggest obstacles was in satisfying the claims of Duke-Price Power Co., principal unsecured creditor. This company had an important stake in Price Bros., in that it supplied to the company 100,000 h.p. from which it received an annual revenue of about $870,000 in American funds.

Lord Beaverbrook also had an interest in the future control of the company, not only because he was one of the largest holders of common stock, but also because he was and is the company's principal customer.

Lord Rothermere's interest in Price Bros. is more indirect and develops as a result of activities of his Canadian representatives, who have displayed an active interest in the future control of the property.

Like Beauharnois Plan

The plan put forward by Rothermere-Beaverbrook-Duke-Price bears a close resemblance in principle to that put forward by Montreal Light, Heat and Power Consold. when it took over control of Beauharnois Power Corp.

Under the new plan the present outstanding bonds and accrued interest of Price Bros. will be looked after. In that it does not differ from the Bowater plan.

The unsecured creditors will be treated in much the same way in both schemes.

Will Give Equity

The Bowater opposition will underwrite $5,000,000 of new capital and will give the present preferred shareholders 40 per cent of new preferred and 15 per cent of such readjusted outstanding common share capital. The present common shareholders will receive 17 per cent of the new capital.

The preferred and common shareholders will be offered the right to subscribe to the new issue of $5,000,000 of general mortgage bonds. If they take up their rights in full, then they will have control of the share capital.

This is a proposition similar to that accorded to the old Beauharnois security holders, but control of that company went to Montreal Power, because the old security holders were not in a position to subscribe for all of the new capital.

In the case of the Bowater plan the old preferred and common stockholders had their equity wiped out and could only secure an interest in the new company through subscribing to $5,000,000 of debentures, which were underwritten by the syndicate.

Fight Duke-Price

The Bowater group had other plans for the preferred and common shareholders than those made public some time ago. These plans were not divulged for the reason that it was expected an alternative plan would be put forward by Rothermere-Beaverbrook-Duke-Price group.

They were also handicapped in not being able to present their second plan by the failure to reach an agreement with the Duke-Price Power Co. The latter would only come to terms with the Bowater syndicate on the understanding that the old contract would be renewed. This called for payment of $870,000 yearly, which would

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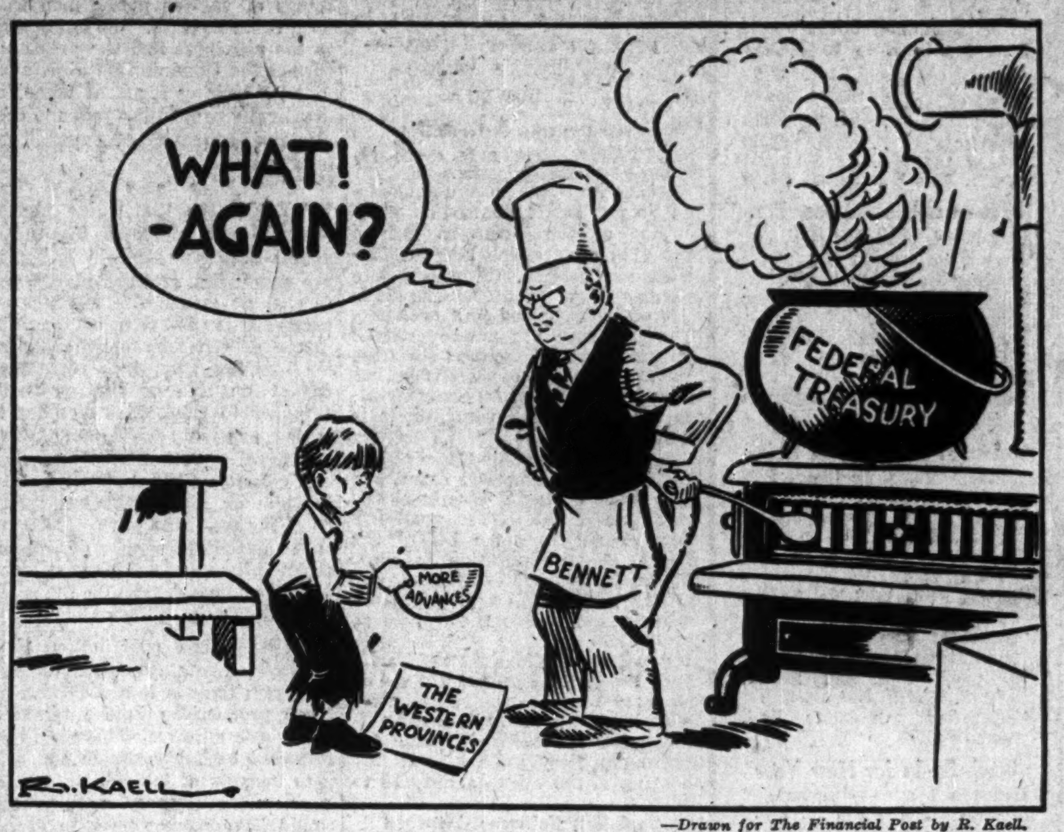

—Drawn for The Financial Post by R. Kaell.

OLIVER TWIST ASKS FOR MORE

SAY BENEFIT INTEREST CUT NOT GENERAL

Affects Less Than Half of Demand Deposits in Banks

Reduction of the interest rate paid by the banks on current accounts by one half of one per cent, effective January 1, is a relatively small change when compared with the reduction of interest on savings deposits effected May 1, 1933, according to head office officials of the banks. While the reduction last May was followed closely by reduction in the rates of interest charged on loans to farmers and provincial and municipal governments, it is not anticipated that the reduction in interest paid on current accounts will be followed by a wholesale reduction in the rates charged on current loans. At the end of October demand deposits totalled $520,868,000 for all banks and savings deposits totalled $1,349,769,000.

The interest rates now in effect on current accounts, or demand deposits, vary from 1 per cent to 2 per cent, and in the case of at least one large Canadian bank average about 1½ per cent. The rate paid in Great Britain on demand deposits is around one quarter of one per cent, while in the United States, commercial banks are not allowed to pay any interest on demand deposits under the new Banking Act of 1933. The reduction in the interest rate does not affect savings accounts, while the majority of current accounts do not receive interest at all,

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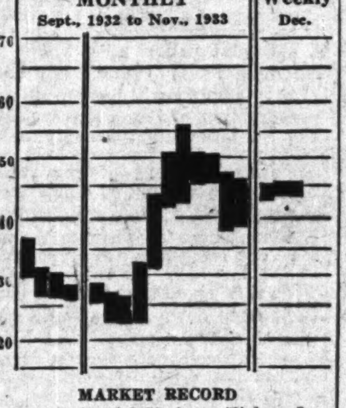
Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Dec. 19	45.4	43.4
Week of Dec. 12	45.8	43.7
Month of Dec., 1932	28.3	25.5
10 Public Utilities		
Week of Dec. 19	48	46
Week of Dec. 12	48	45
Month of Dec., 1932	46	43
8 Bank Stocks		
Week of Dec. 19	163	159
Week of Dec. 12	163	158
Month of Dec., 1932	166	159

Christmas Sales Increase 52 p. c.

Most business firms report greatly increased business during the Christmas season, indicating greater purchasing power in Canada this winter over last year.

One concern, doing a coast to coast business in luxury lines, states that its Christmas sales this year were 52 per cent above Christmas sales in 1932.

MAY BE FEBRUARY BEFORE EXCHANGE MERGER FINISHED

Actual Physical Details Necessitate More Time Than Expected

Further consideration of the physical changes which must precede consummation of the actual physical merger of the Toronto Stock Exchange and of the Standard Stock & Mining Exchange has made it apparent that it will be February before the two merging exchanges will finally be operating as one exchange.

One thing which has somewhat complicated the physical aspect of the merger is that the members of the two exchanges have to a large extent indicated their desire to be represented on both floors. Actual experience of how crowded this will make both floors has yet to be considered but it is evident that this state of affairs may hasten the day when arrangements are made for an enlarged stock exchange capable of housing all members and permitting operations on all stocks listed on the two merging exchanges.

The Toronto Stock Exchange is well fixed for such expansion. It has property to the south and at the rear of present premises and could build to meet all needs, if necessary. No immediate building programme is likely as it is desired to have other problems settled first. Yet it is becoming evident that a larger building would make settlement of other problems much easier.

Trade Account Credit Balance Continues Gain

Canada's favorable balance of trade during the current fiscal year continues to increase. In the eight months ended November a credit balance of $105 millions has been built up; this compares with $45 millions credit in the corresponding period of 1932 and a debit balance of $67 millions in 1930. Increase in the dollar value of export trade this year is probably more important however; in the eight months ended November there was an increase of $50 millions as compared with the corresponding period of 1932.

Cotton was the only actively traded commodity to show strength during the past week, the New York market recording good gains. Wheat declined slightly at the beginning of the week but was steady later with demand light. Hides headed a downward movement at the week-end and tin, silver, copper and rubber were lower.

Monthly		Nov. '33	Change From Prev. Period %	Change From Prev. Year %
F. P. Bus. index		91.0	—0.3	+20.2
Imports	$	43,711,559	+6.3	+15.6
Exports	$	60,384,590	+0.4	+31.5
Newsprint prod.,	tons	193,718	+1.4	+20.1
		Oct. '33		
Failures	No.	144	—7.0	—27.6
Liabs. ...	$	2,321,926	—1.0	—32.5
Weekly				
Carl'dings	No.	39,601	—6.5	+ 4.2
Cattle sales	No.	10,884	—9.3	+20.0
Hog sales	No.	19,168	—8.9	—33.4

*Weeks ended Dec. 9, 14 and 14 respectively.

Highlights of the week

More Money

Mr. Bennett's suggestion of increased note issue might mean enormous expansion of credit in Canada. How it could result. Page 13. Just why inflation is uncontrollable, but not unstoppable and the penalties of excesses. Page 3. An investor seeks safeguards from inflation to protect an inheritance. Page 11.

Business Insurance

There are three systematic methods of buying out a deceased partner. Weaknesses of some methods and advantages of others. Page 12.

Tariff Squabble

Ottawa has a lively infant on its hands in the form of the new tariff board. How its straight from the shoulder decisions have jolted the national revenue department into a jousting match. Page 1.

Branch Plants

Hundreds of British and foreign companies have branch plants in Canada. Why they come here, what they do for us, their investment in Canada, and how we treat them. Told by Kenneth W. Taylor of McMaster University. Page 9.

Moore and Frisby

Who should be allowed to produce at a profit? W. H. Moore humanizes economics and introduces Mr. Frisby of Pahang Consolidated and tin oxide. Page 9.

November Business

Last month activity was maintained at almost the peak level for the year, according to preliminary calculations. How it was done and the effect on employment. Page 7.

Credit in U. S. A.

Although Roosevelt balks at stabilization, Dr. Gaines T. Cartinhour of New York University tells why American credit could be amply expanded without a "boloney dollar." Page 4.

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$100,000,000 CROSSING LINE FOR WHISKIES

United States Own Interests Require Purchases to Extent Shown

TO FIGHT ROTGUT

Only Opening Door to Blends Mainly Made of Raw Alcohol Would Delay Buying of American Type Aged Whiskies Here

One hundred million dollars, and possibly more, will come into Canada from the United States as a result of the export of American type whiskies to fill the demand released by repeal of United States prohibition laws on December 5. There will be in addition a steady inflow of revenue to pay for whiskies such as Canadian Club and Seagram's V.O., for which there has always been a demand in the United States even though they are not American type whiskies. Estimates of the latter do not exceed 22,000,000 gallons.

Price of whisky in the United States is of great stock market interest in Canada at present. There has been an outcry over high prices, old brands being variously quoted from $2.75 a pint to $3.35 a pint. Sixteen-year-old whiskies have been going at $3 a pint in New Orleans. In Manhattan Macy's, which boasts that it will not be undersold, sold old straight American whiskies at $6.94 a quart and $3.74 a pint and sold blended Golden Wedding at $2.94 a quart. It is making a specialty of Canadian Club.

High Prices Now

Dr. James W. Doran officially refers to the high prices as "a mere boom" which will not last long and tells the public not to get excited. National Distillers also tells consumers, who find present whiskies too expensive, that soon it will be ready with whiskies to sell to the consumer at $1.50 a quart, exclusive of state taxes. The company announced that both straight and blended whiskies could be produced at that level. However that may be, the cheapest whisky now sold in New York State appears to be at $1.50 a pint.

Much depends on just what kind of cutting will be permitted by the United States laws. Canadians state that if distillers in the United States are allowed to add about 96,000,000 gallons of raw alcohol to the 4,000,000 gallons of whisky aged more than four years, it will not be found good for the public. Even so Canadian matured whiskies would find a market, but the process would be slower.

Among subsidiaries of Canadian companies signing the marketing agreement for distillers in the United States to buy grain and other supplies at parity prices are Rossville Union Distilleries, Inc. and Hiram Walker & Sons, Inc. As American companies they will get full consideration. President Roosevelt's attitude toward taxation is regarded as constructive and the parity agreement is thought likely to favor reasonable prices to make the parity clauses effective.

Holdings in Canada

Accurate statement of holdings of the various Canadian companies is impossible because considerable secrecy has been observed by some chief officials who fear that too early a disclosure of their position might complicate marketing problems. The following table may not be strictly accurate, but it represents the estimates made by men who, though not absolutely in the business, have good opportunities of getting a rough and ready idea of the situation:

	Imp. Gals. On Hand Dec. 5	Imp. Gals. Available for U. S.
Walker	14,500,000	8,000,000
Distillers Corp.	14,000,000	7,000,000
Can. Ind. Alc.	8,500,000	6,000,000
Other cos.	7,500,000	4,000,000
	44,500,000	25,000,000

The first column showing the amount of whisky held in Canadian warehouses is probably close to the actual situation, but the second column can at this stage be only an estimate which will depend on the actual demand, the prices at which whiskies are sold in the United States, the incidence of customs, excise, state and municipal taxation and various regulations enforced under the N.R.A. Code for the distilling industry. Uncertainty has gradually been displaced by confidence, however, that there will be a market for all aged whisky of American type in the United States as well as for other whisky brands which have achieved popularity there.

Hiram Walker-Gooderham and Worts, by reason of its two operating plants at Peoria, Ill., and the great distillery now being erected, will have no difficulty because its subsidiary, Hiram Walker & Sons, Inc., is an American company, eligible for any protection given to the distilling industry as a whole. N.R.A. is to protect the domestic industry and, therefore, the necessity under which the industry labors to obtain as large supplies as possible of matured American type whisky makes it obvious that the way will be smoothed for imports of the kind.

Distillers Corp.-Seagrams is also in the same happy situation by reason of the purchase of the Rossville Union Distilleries in the United States. The latter company can also import largely for its needs in

(Continued on page 2, col. 1)

Mining Executives Foregather at Royal Mint

Officialdom present at the striking of the platinum medal awarded by the Canadian Institute of Mining and Metallurgy and donated by the International Nickel Co. of Canada, for distinguished service to Canada's mineral industry. The photograph, taken at the Royal Mint before one of the large presses, includes from left to right: Dr. Chas. Camsell, Deputy Minister of Mines; Balmer Neilly, President, Canadian Institute of Mining and Metallurgy; Robert C. Stanley, President, International Nickel Co. of Canada; Hon. Wesley A. Gordon, Minister of Mines; J. H. Campbell, Master of the Royal Canadian Mint, Ottawa.

For a Successful New Year

Start the year right by saving money on your office supplies. Note these prices—away below what you are accustomed to paying for identically the same equipment.

Columnar Books

From 2 columns to 30 columns

	200 pages	300 pages
8½ x 10⅜" ..	$1.65	$2.75
10½ x 12½" ..	$2.00	$3.00
8½ x 14⅞" ..	$2.75	$4.00
12¼ x 14⅞" ..	$4.00	$6.50

Files—Folders—Cases, Etc.

Box Files, each 50c.
Arch Files, each $1.00
Binding Cases, each 40c.
Filing Folders, letter size, per hundred, $1.00
Desk Pad, with flexible back and leather corners, $1.00
Single Letter Tray, 35c.
Desk Sets of Fountain Pen in Stand, $3.95 to $15.00

Calendar Stands and Refills

"Jewel" No. 1, or Ideal, Pad and Stand, 95c. Refill, 45c.
"Jewel" No. 2, Pad and Stand, $1.75. Refill, 75c.
"Daily," Pad and Stand, 65c. Refill, 20c.
"Bunch of Dates" No. 1, Pad and Stand, $1.65. Refill, 75c.
"Bunch of Dates" No. 2, Pad and Stand, $1.85. Refill, 85c.
"Dainty," Pad and Stand, $1.75. Refill, 85c.
"Everyday" Calendar Pad, each $1.25

Blank Books for New Year

Ledgers 1 a/c—Journals, 2 column — Records — Cash Books, 3 columns—all 8½ x 14", strongly bound, with black cloth sides. Prices, each:—

200 page $2.25
300 page $3.00
500 page $4.00

Canvas Bound Day Books

7½ x 12" size—
150 pages, price ..... 45c.
300 pages, price ..... 85c.
6 x 14⅞" size—
150 pages, price ..... 45c.
300 pages, price ..... 85c.

EATON'S MAIN STORE, MAIN FLOOR, JAMES STREET. ALSO AT EATON'S—COLLEGE STREET

T. EATON Co LIMITED TORONTO CANADA

$100,000,000 CROSSING LINE FOR WHISKIES

(Continued from page 1)

blending while its own supplies are being increased and held for future ageing.

A Romance in Alcohol

Canadian Industrial Alcohol has not announced any such arrangement but it is understood on good authority that the company is negotiating adequate dickers for marketing its whiskies in the United States. It is not known definitely as yet what policy the company will adopt but negotiations carried on have made those connected with the company confident that it will have no difficulty in marketing its whiskies in the United States. The matter is one of supreme importance to this company. It was one of the first Canadian companies back in 1920 to begin making an American type whisky and it has probably the largest stores of American type whisky more than four years old in Canada.

The situation of Canadian Industrial Alcohol is one of the romances of Canadian industry. At the last annual meeting on December 20, 1932, Lord Shaughnessy, president, stated prices were at the lowest point in the company's history, exports were the lowest for a decade and sales during that year alone had dropped 30 per cent in volume. The export business, he said, yielded little or no profit. The balance sheet showed one great asset in the spirits inventory costing more than $6,000,000 and against it one large liability of $2,670,000 owing to banks and secured against inventories. Cash was low and it looked as though the company could only continue by grace of the bank's giving time for liquidation of an inventory not needed in a great part in Canada. Now repeal has opened up a market that it is not thought out of the way to suppose that the company may receive from the United States alone at least $30,000,000 for its American type whisky and possibly much more. This company may be liquidated and, if it is, holders of 969,480 class A and 123,435 class B no par value common shares might find themselves with several times the equity of $7.12 shown by the balance sheet on September 30, 1932.

Enough for Canada

Hiram Walker, if present prices are a criterion, could get $48,000,000 for whiskies sold to the United States subsidiary and still have all the supplies it needs to carry on its Canadian business and its world-wide business outside of the United States. Distillers Corp.-Seagrams might do nearly as well. These sums include possible sales of other whiskies than American type whiskies, and they take for granted that sums now received will not be greatly shaded.

The Peoria plant of Hiram Walker & Sons is turning out 7,000 cases (12 quarts each) of gin and blended whisky a day.

With no quantity restrictions by the United States government on liquor exported for blending purposes, the parent company, Hiram Walker-Gooderham & Worts, Ltd., is afforded the opportunity of disposing of its stock of 14,500,000 imperial gallons held in Walkerville, Ontario, at a rate limited only by demand in the United States. Actually policy is to retain one-third of stores in Canada.

Shipments to the Peoria plant, which were started December 5, have been at the rate of 10,000 to 14,000 gallons a day. On basis of the smaller figure and 25 days to the month, this is at the rate of 250,000 gallons monthly. Liquor stock used for blending purposes brings the company around $5 a gallon after allowing for tariff of $5 a gallon. It is carried on the books at fifty cents a gallon.

The company plans to use most of its liquor for blending in its Peoria plant, although some bulk sales are being made to other concerns. One reason for sending a lot of case goods at present is that bottling plants in the United States are at the moment entirely unable to cope with the demand. Walker's sends three or four carloads daily to the United States but, if circumstances or demand called for it, this rate might be multiplied as high as ten times. Apparently, however, Canadians feel that liquors in warehouses in Canada are not piling up costs as quickly as they would if they were in the United States.

Obeying the Law

It is of interest to note that Hiram Walker & Sons, Inc., in a full page advertisement in the New York Times recently, gave full display to the qualifying phrase, "An American Institution," and to the name "Canadian Club," which it claimed "is accepted as the symbol of quality in the highest degree." The advertisement states that the company is helping the return to national prosperity by investing four million dollars in building in Peoria the largest distillery in the world. Two temporary plants at Peoria are carrying on until this is completed. When completed, it will employ 1,000 workers at Peoria, Ill., and many others in large wholesale branches throughout the Union. Hiram Walker & Sons, Inc., will pay into the treasury of the United States $30,000,000 taxes per year, it is said.

The advertisement carries also a rider to the effect that "Canadian Club" can be purchased wherever the law permits liquor to be sold "but not elsewhere with our knowledge or consent." It ends with the pledge, "Thus we pledge ourselves to sincere co-operation in the strict observance of the spirit as well as the letter of the law and the temperate use of our products."

BOWATER'S GROUP MEET OPPOSITION

(Continued from page 1)

have meant an outlay of nearly $500,000 more for power than is actually needed by the paper company at present.

It was felt that the reorganized company could not successfully re-establish itself under such a handicap. Furthermore the Duke-Price Power Co. as an unsecured creditor was under contract to pay for deliveries of power under contract after the company had gone into liquidation. The Bowater group contended that there was no legal basis for such a claim and would not recognize it.

It is understood that other creditors were agreeable to accepting the proposal put forward by Bowater's, but the plans for better treatment to the preferred and common stockholders had to be held in abeyance until Duke-Price Power Co. came to an agreement or showed its hand in coming forward with a new offer for control of Price Bros.

In the preliminary statement issued this week by Rothermere-Beaverbrook-Duke-Price no particulars are given as to the extent of the unsecured creditors' claims.

The second offer to be put forward by the Bowater syndicate will provide for a more generous treatment of the stockholders than did the first one. While final details have not been decided upon, it is said that the preferred and common shareholders will be offered a participation in the new company without having to subscribe to new debentures or stocks. The amount of stock which will be allocated to them will approximate that offered by the opposition.

TARIFF PLEA IS DIRECT HIT AT CELANESE

Board Must Adjudicate on Supposed Monopoly at Cornwall

SIX APPLICATIONS

Page-Hersey Tubes Seeks Tariff on Boiler Tubes — Jute Twine Battle Renewed

From Our Own Correspondent

OTTAWA.—Six new cases involving tariff questions of far reaching importance were announced by the Tariff Board this week.

Two of them concern British products upon which tariff reductions are desired. They are jute yarns and twines and canvas made out of impregnated flax or hemp. The jute case has already stirred up much controversy and since the Doon Twine Co. of Kitchener has launched a vigorous counter-attack, still further controversy is inevitable.

Four Domestic Cases

Of the four domestic cases, one is believed by tariff experts at Ottawa to be one of the most important yet to come before the Board. This application is made by R. P. Sparks, of Ottawa, one of the best known textile men in Canada and a strong advocate of protection.

In all six applications the Tariff Board will function purely as an advisory board to the government. None is an appeal from tariff rulings of the National Revenue department. They are set down for hearing in the week January 15 to 22.

Canadian Celanese Attacked

The application of R. P. Sparks is regarded at Ottawa as a direct attack on Canadian Celanese Ltd., who operate a large mill representing an investment of about $10,000,000, at Drummondville, Que.

The present tariff is a combination of ad valorem and specific duties. The rates are 25 per cent preferential; 30 per cent intermediate and 35 per cent general tariff, provided that in no case shall the duty be less than 28c, 28c and 28c per lb. respectively. The proposed tariff is 10 per cent; 15 per cent and 35 per cent with specific duties of 10c, 15c and 28c per lb. respectively.

Reason for Application

Mr. Sparks sets out the reason for his application as follows:

"Such yarns are produced in Canada by one mill only, and this mill uses all its production in the manufacture of fabrics. Such yarns, therefore, are not available to other manufacturers, producing similar fabrics. I might point out that my clients (identity not disclosed) have frequently endeavored to purchase yarns from the only manufacturer in Canada, but the prices quoted them have always been far in excess of the prices at which similar yarns could be imported, plus duty and landing charges. It is evident to us that the producers of these yarns in Canada are unwilling to supply other manufacturers.

"We submit that the sale of acetate yarns in Canada is a complete monopoly. Not only the sale of yarn, but the sale also of fabrics made from acetate yarns is a monopoly. We would point out that acetate yarn is a staple commodity, sold on a competitive basis in every country in the world except Canada."

Page-Hersey Seeks Tariff

Another application from a company in which there is investment interest in Canada is that of Page-Hersey Tubes, Ltd., who have applied for a tariff on boiler tubes. These tubes have been on the free list for many years

To-day it is pointed out, the Page-Hersey Co. have a $3,000,000 mill for the production of seamless tubing and could meet the demands of the Canadian market for boiler tubes. The rates requested are 15 per cent preferential; 27½ per cent intermediate and 30 per cent general.

Second Jute Attack

The jute case represents the second major assault of the Dundee jute manufacturers on the preferential tariff. The first was the appeal against the arbitrary valuation in force on jute twine. This appeal was decided by the board, October 30, when all arbitrary valuations against British goods were declared illegal. But the National Revenue department hitherto has declined to accept the ruling. The Doon Twine Co. of Kitchener, has appealed the decision to the cabinet and the cabinet will not likely deal with it until sixty days have elapsed from the date of the board's ruling.

Dundee Makes Its Case

The main application now made public is sponsored by the Dundee Chamber of Commerce and goes into the present position of the British industry in great detail. It is contended that this industry is the most efficient of its kind in the world.

The application points out that both the British and Canadian mills draw their raw material from the same source—India. Exports from Britain to Canada have fallen from 4,781,907 lbs. in 1929 to 756,168 lbs. in 1931. Later figures are not yet available. The 1931 figure represents about 8 per cent of Britain's total exports.

Two tariff items are challenged:—item 537 covering rovings, yarns and warps, not further advanced than singles on which the rate is 12½ per cent; and item 537a covering rovings, yarns and warps including twist cords and twines on which the rate is 18 per cent. It is contended that exports under item 537 have fallen by 17 per cent and under 537a by 49 per cent. The arbitrary valuation affects only item 537a.

Three Uses for Twines

The applicants point out that imported twines are put to three uses. They are used for tying parcels and it is contended that an increase in the cost here must be reflected in a generally higher price level. About 200 tons of a special type of twine not produced in Canada are imported by Canadian Industries, Ltd., as raw material for the manufacture of safety fuses. The balance is brought in as raw material by twine finishers in Canada. There is but one plant in Canada which makes twine from raw jute, so the tariff handicaps these secondary industries.

The application declares further that this Canadian plant possesses a substantial natural protection in shipping rates direct from Calcutta to Canada which are lower than the combined rates from Calcutta to Dundee to Canada.

Finally, the Dundee application condemns the arbitrary valuation as illegal and urges that there is now but one producing plant in Canada and that "it cannot be regarded under article 10 of the Anglo-Canadian treaty as an industry 'reasonably assured of sound opportunities of success.'"

Say Consumers Suffer

"Again," the application reads, "His Majesty's government in Canada undertakes that protective duties shall not exceed such a level as will give United Kingdom producers full opportunity of reasonable competition on the basis of the relative cost of economical and efficient production. It cannot be contended that the one spinning plant in Canada is efficient or economical in its production if it requires the enormous duties to keep it in existence, and the measures of duties imposed on imports are beyond all bounds of reason and bear no relationship to values or costs of production. Thus the whole of the consumers of jute twines and consumers of duty-paying jute yarns throughout the Dominion are forced to the payment of unreasonable duties and the supporting of an uneconomic and inefficient industry that does not consume any raw material indigenous to Canada, but must import all of it."

This frontal attack is met by Doon Twines Ltd., of Kitchener, with a counter application for higher tariff against imports from Great Britain. The Kitchener company points out that jute yarns and twines are not covered by the Anglo-Canadian treaty and therefore much that is said by the Dundee producers is without point. It is claimed that the Kitchener plant is economical and efficient and represents a substantial capital investment. Wages in Britain, it is contended, are only from 30 to 38 per cent of wages at Kitchener.

Other Applications

The second British application concerns canvas, and comes, also, from the Dundee Chamber of Commerce. The tariff now works out at 36 per cent and the application states that this cloth is not made in Canada. The recommendation is that the tariff be cancelled.

The other three applications are of lesser interest. The Canadian Ivory Button Manufacturers Association requests protection on buttons imported in a finished condition save for the drilling of the holes. The Hump Hairpin Co. of St. Hyacinthe, Que., desires an increase in the preferential tariff. Dresser Manufacturing Co. asks that tariff facilities be provided for the bringing in and assembling in Canada of pipe couplings, clamps, sleeves and fittings.

The Nation's Business

(Continued from page 1)

tion of this business of reducing the tax rate of one public body by shifting a portion of its burdens to another public body. Such a procedure does not reduce net expenditures by one cent. The tax burden in Canada will not be brought down by leaving embarrassing burdens on some one else's doorstep because it is still one of our own doorsteps.

The theory has persisted in the minds of various public men that such could be done. The cities turn to the provinces and the provinces turn to the Dominion for assistance without looking for it at home, in drastically pruned budgets and cessation of extravagant expenditure programmes.

* * *

NOTICE too that naive phrase "the government." The news article does not say whether it is the provincial government or the federal government. This lack of precision is common in the language of the man on the street. He wonders why the government cannot do this or that, without stopping to think that whether it is his own city government, the provincial government or the federal government that spends money for him on his behalf, eventually he is the man who pays. The government that he speaks of is himself and thousands of other citizens just like himself.

* * *

THE greatest contribution that governments can make to recovery in Canada is a reduction of large proportions in the total of public expenditures. This would be reflected back at once in the private budgets of individuals and of business institutions. Each person would have more money to spend on the products of our farms and factories. The cost of production would be reduced giving us better opportunity of selling our goods in highly competitive foreign markets.

Economy in public finance is the No. 1 public issue in Canada.

* * *

Drayton To Lead Chamber Tax Fight

THE Canadian Chamber of Commerce, in its studies of the growing tax problem in Canada, started off with an exceedingly able chairman of their National Business Men's Committee on Economy in Public Finance, the late Col. W. L. McGregor, of Walkerville. The statistical studies were made by W. Sanford Evans, of Winnipeg. The turn of the wheel has removed Col. McGregor from the scene and has placed Mr. Evans in the presidency of the chamber. To continue the tax reduction propaganda, Sir Henry Drayton has been selected as chairman of the national committee.

The choice is a happy one. Sir Henry has past political experience and some present leisure. He has something that few business men's committees ever have—an understanding of politics from the ward association to the privy council. He knows how governmental expenditures start; and how difficult it is to kill them off once they are started.

Particularly in regard to that key problem of all, the railway problem, is Sir Henry qualified to help the chamber in its work. It can be said of Sir Henry that he is in part responsible for the railway problem because it was he, as chairman of the Drayton-Acworth Commission of 1917, who recommended Government ownership of the railways. But he could as truthfully reply that if the advice he gave in that report on the manner in which the Government should run the railways had been followed there would have been no railway problem of present dimensions, even under Government ownership.

Footnotes to Ottawa

An Occasional Department of Comment on the Background of Governmental Activities in the Nation's Capital

From Our Own Correspondent

Two Significant Judgments

TWO judicial decisions handed down in the past week are of particular importance to the government and the taxpayers.

The Privy Council ruled that an employee of the government cannot sue for breach of contract if his position is abolished by statute. This holds good notwithstanding the fact that he may have a hard and fast contract with the government and that several years of it remain unserved.

The second judgment was delivered by the judicial committee of the House of Lords (a purely British court), and states succinctly that where contracts call for settlement in gold, the creditor can insist upon being paid accordingly. This case arose as a result of the confusion these days as to whether debts should be paid in currency or gold. The Roosevelt administration absolved debtors from payments in gold and ruled that all contracts could be met in dollars. In England a debtor tried to settle in pounds and the litigation ensued. The general view here is that the House of Lords version of the law would apply with equal force to Canada. It is from the judicial committee of the Lords that the Privy Council (our court of last resort) is drawn and our laws are very similar.

* * *

Where Is All the Water?

ST. LAWRENCE water levels are proving almost as baffling a problem as was presented by the Cheshire cat of nursery fame. A committee of government engineers is hard at work endeavoring to find a remedial policy upon which all can agree. It is reasonably clear that this policy will have to do with construction of dams and weirs in the St. Lawrence, probably below Montreal. But from all quarters come explanations of the steady drop in the volume of water flowing through Canada's premier trade channel. There is, of course, the period of low rain and snowfall through which we are passing. Then it is urged that volcanic eruptions deep down in the earth have altered the surface of the North American continent ever so slightly, causing a slight tipping of the Great Lakes toward the west. And from more practical mariners comes the view that most of Montreal's troubles arise out of the frenzied efforts to keep the river open in the late fall and in the very early spring when Nature would dam it back and thereby flood the upper reaches. The business of sending icebreakers crashing into the ice structure late in November and again in April, at a time when this ice would act as a barrier to the normal outflow is said to lie at the root of the water shortage.

* * *

Soon to Hear New Appeals

APPEALS to the tariff board against arbitrary valuations in force on imports of wire rope and ferro-manganese from Great Britain are expected to furnish the next chapter in the tariff duel which has been in progress at Ottawa since October 30.

On that date the Tariff Board declared these valuations illegal but the National Revenue department declined to give effect to the decision. Subsequently there was an appeal taken from the Tariff Board's decision to the government, but the general view at Ottawa is that the cabinet will decline to accept the task of sitting in judgment on the board.

With two additional appeals likely to materialize in the next week or two, the issue between the Tariff Board and the National Revenue department will become of greater importance. The board undoubtedly will follow the precedent of October 30 and again declare these arbitrary valuations illegal and the National Revenue department will again have to consider whether the ruling is binding or whether it can be flouted.

* * *

Disapprove Canal Tolls

WITH a full discussion of the question of canal tolls assured when Parliament opens next month, it is apparent that cabinet opinion is gradually crystallizing against the proposal.

The question will arise on a private motion to be sponsored by Peter McGibbon, Conservative member for Muskoka-Ontario. Mr. McGibbon has been very active in recent years in railway matters and has been a consistent champion of strict economy in operating the National Railways.

While his views are not yet known at Ottawa and probably will not be until the resolution is called, it is believed that Mr. McGibbon is actuated by a desire to assist the railways. The free canal policy enables water carriers to charge extremely low rates and a reversal would tend to firm all transportation rates upward.

The general view of the ministry appears to be that the present canal tolls policy is sound and that a change would be against the public interest.

REVENUE OFFICIALS CHALLENGE POWERS OF TARIFF BOARD

(Continued from page 1)

Finance. The reports go to the minister and the Government is in no sense bound to accept and act upon the findings.

More Direct Duties

One important function of the Board, therefore, is advisory. The other and equally important function is to discharge the responsibilities of the old Customs Appeal Board. This Board functioned for many years and did so under the law as set out in the Customs Act. When the Tariff Commission Act was enacted by Parliament a provision was included that the new Board was to take over and discharge all the functions of the Customs Appeal Board. And prior to last week it was commonly supposed that this Appeal Board existed for the purpose of enabling private interests to appeal from decisions of the National Revenue Department. The appeals, of course, concerned questions of law, not of judgment. The Appeal Board sections of the Customs Act declared that decisions of the Board with respect to rates of duty must be signed by the Minister of National Revenue before being effective. Other matters of an administrative character were dealt with by the Appeal Board and the decisions put into operation without the ministerial signature.

Defendant and Judge

Conflicts of opinion between the National Revenue Department and the old Customs Appeal Board were not possible for the simple reason that the Board was composed of the senior officials of the department. An appeal simply meant that the men who had made the original decision sat in judgment upon themselves. Over a long period of time no important differences of opinion as between the men who made the original decision and the same men who sat in judgment upon themselves arose, and this is not surprising. But the moment the appeal board function was taken over by the Tariff Board, differences of opinion did arise and these conflicts of view affect wide commercial interests both in Canada, Great Britain and other countries.

It must not be forgotten that the Tariff Board in its capacity as a customs appeal tribunal has never functioned as other than a court of law. Members of the Board have never sought to discover what should be done in the public interest. They have sought only to discover what the law required and in their rulings they have stated that the decisions of the National Revenue Department were either legal or illegal.

There have been several open breaches between the Board and the department but two are of prime importance and are directly responsible for the definite challenge which has been made by the Government with respect to the constitutional authority of the Board.

Arbitrary Valuations

The first concerned arbitrary valuations imposed on goods entering Canada under the British preferential tariff. The facts, briefly, are as follows: There are about a dozen of these valuations in effect, dating back in most cases to 1931. Under the Ottawa treaties the Canadian Government promised to withdraw these special tariffs as rapidly as possible. In the fall of 1932 at the same time as the treaties were being ratified, the Government introduced an amendment to the Customs Act, withdrawing the right to impose arbitrary valuations on imports from the Empire. The Government, at the time, made it abundantly clear that this amendment would not affect the arbitrary valuations already in effect but would prevent the imposition of additional valuations. That was not a statement of fact: it was a statement of the Government's opinion.

Appeal Challenges Ruling

An appeal was carried to the Tariff Board in October by a Montreal importer challenging the legality of an arbitrary valuation imposed on jute twine imported from Britain. The Board ruled, as a matter of law, that the 1932 amendment had destroyed all arbitrary valuations against British goods. The National Revenue Department declined to put the ruling into effect. It was declared that under the Customs Act an appeal from such a decision lay to the cabinet and there is a 60-day period in which appeals can be made. An appeal was put in by the Doon Company, of Kitchener, Ont., and the cabinet will deal with it at the expiration of the 60-day period, or about January 1.

Delay in Enforcement

The department declines to accept the broad principle of the jute twine decision and to withdraw the other arbitrary valuations (which the Tariff Board has declared to be illegal) and it is clear that even if the jute twine valuation is withdrawn early in January the department will insist upon separate appeals to the Board in every one of the other cases. Indeed two such appeals are believed now in progress, one covering ferro-manganese and the other wire rope. The Tariff Board cannot reach these appeals before February and judgment cannot be enforced for 60 days (without the co-operation of the department) so that in effect the department will liquidate this legal decision over a period of 12 months or more.

The arbitrary valuation case was the first important break between the Board and the department. It occurred within a month of the Board beginning to function in a normal way.

Tinplate is Second Case

The second break came this week on tinplate and it is this case which has precipitated a constitutional struggle of vast significance to everyone who is affected by Canada's fiscal policy. Again the facts are not in dispute. Tinplate is one of the items in the Anglo-Canadian treaty. The treaty rates are preferential, free; and intermediate and general, 15 or 20 per cent, according to whether or not tinplate is manufactured in Canada.

It is true that the Canadian market has been fought for in the past by rival producers in the United States and Wales. This is important because the tariff dispute centres upon this battle and the

(Continued on page 3)

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Why Does Inflation Get Out of Hand?

Three Reasons for Lack of Control — Invariably Painful to Stop the Process — Savants and Politicians on Inflation for the U. S.

Is inflation controllable? To a large extent it depends on what is meant by "inflation" and by "controllable." There is evidence that this big bad monetary wolf has been stopped in his tracks at times in the past, but invariably with painful results. This ability to halt the process in its course, however, does not necessarily mean that inflation is "controllable" in the full sense of the word.

Because of the probable widespread effects on Canada, intense interest is being taken by Canadians in the possibility of some sort of inflation in the United States. One of the things which has puzzled the layman on monetary matters is the frequently heard or read statement that "inflation is uncontrollable." The statement is frequently left unexplained, so that it leaves an element of doubt in the mind.

How Inflation Starts

Why inflation often gets out of hand and becomes uncontrollable is really simple. Inflation often develops quietly. Most frequently it occurs in times of war through unbalanced governmental budgets. More money is created in the form of credit, or sometimes in the form of cash, as the inflating nation attempts to meet its extraordinary war costs without levying sufficient taxation. The process has been clearly outlined by Sir Josiah Stamp in his "The Financial Aftermath of the War."

Issue of bonds or notes to meet deficits amounts to creation of money. And under this process prices rise because there is active demand for and use of the credit created. This rise of prices makes it easy for business to gain profits, because costs of operation, such as wages, salaries, rents and interest charges, either remain fixed or rise more slowly than prices of goods. So business is profitable, and everyone is pleased except the classes who suffer, such as annuitants, wage and salary earners, and bondholders whose income is fixed or relatively slow to rise. Canadians will remember the outcry against the rapidly rising cost of living which came from such classes during the war, when an inflationary process was taking place in Canada, and other combatant and neutral nations.

Inflation Stopped

Thus, because of the war, there was inflation in Canada, Great Britain, the United States, France, Germany and many other countries. But shortly after the war, this inflationary process was stopped in some countries and not in others. Cessation of the process was accompanied by the great post-war slump of prices in Canada, Great Britain and the United States, with disastrous effects on business. In France and Germany inflation was carried farther with result that the franc was finally depreciated 80 per cent in terms of gold, after having been threatened with complete obliteration, and the German mark became worthless. The notable thing is that cessation of the inflationary process, even a short halt, brought prices and business activity tumbling down. And the farther the inflation was carried, as in Germany, the more complete did the final breakdown and demoralization become.

This, then, is the first reason given by Sir Josiah as to why inflation tends to become uncontrollable; the slump of business activity, when cessation of inflation is contemplated, brings pressure for another dose of inflation.

Second and Greater Reason

The second and greater reason for inflation getting out of hand is the Government itself. Much of its expenditures are for materials, which are rapidly rising in price as inflation progresses. But its revenues from many taxes, such as income tax and specific levies, like gasoline taxes, fall far behind in the race. They do not increase the revenue nearly as fast as prices rise. So the budget becomes more and more unbalanced as time goes on. This necessitates additional issue of bonds or paper money to meet the growing deficit. The effect is to further accentuate the rise of prices, put the increase of tax revenues farther behind, and increase the need for additional issues of bonds or paper or both. The vicious spiral of inflation.

The third reason that inflation sometimes runs wild is the foreign exchange rate. When people within and without the inflating country realize what is going on, they take their money out into some other better currency. This depresses the exchange rate, just as American dollars have been depressed, and creates a need for more and more money to pay for imports or to pay foreign debts.

Thus it can be seen that in each of the three main reasons for inflation's footloose proclivities the fundamental cause of continuance of inflation is inflation itself. One dose demands another. It sows the seeds of its own nemesis, as Sir Josiah puts it.

Cure is Painful

How then is it stopped? History shows that there has been only one way; by accepting the painful cure of deflation, a slump in business, widespread unemployment, and sometimes national bankruptcy.

But, in the case of the United States, is it likely to come to this? There are some responsible authorities who seem to think so. Dr. O. M. Sprague, whose resignation from an advisory position with the U. S. treasury occurred recently, stated as part of his reason for the action:

"The recovery programme involves expenditures far in excess of current revenues. Certainly as much as $2,000,000,000 must be borrowed during the remainder of the fiscal year . . . .

"I believe you are faced with the alternative either of giving up the present policy or of meeting Government expenditures with additional paper money . . . .

"I have now reached the conclusion that there is no defense from a drift into unrestrained inflation other than an aroused and organized public opinion."

Dr. Sprague's resignation and remarks are indicative of his comprehension of the ease with which inflation starts. Purchase of Government bonds by the public from savings, is hardly considered inflation. But if individuals borrow at the bank to buy Government bonds, as they did in Canada for war loan subscriptions, this is the start of what is outlined in the unbalanced budget factor mentioned above. This fact has been pointed out frequently by economists.

Developments in U. S. A.

Significantly the United States Government has done just this by buying its own bonds to support the market; not, of course, as part of a deliberate policy of inflation. Perhaps this is an unconscious move toward inflation, the first cause, a decline in the foreign exchange, having already been experienced.

From the foregoing, it is clear why Lewis W. Douglas, director of the U. S. budget, understood to be anti-inflationist, recently stated of the great middle class:

"Continuous and prolonged budgetary inflation means its destruction. . .

"For its own preservation, it must be willing to subject itself to the taxes necessary to finance the additional emergency obligations incurred. There are no alternatives. Either no additional emergency expenditures can be made, or the middle class must be willing to carry the burden of saving itself from destruction."

Sees Liquor Helpful

On the other hand, Professor E. R. A. Seligman, famous monetary authority of Columbia University, has commented:

"The one great reason for uncontrolled inflation does not now exist in this country. For this we largely have the repeal of prohibition to thank. . . . .

"But whisky and beer alone can be expected to yield the government over a billion. . . . As a consequence the real urge toward inflation which has appeared throughout history—a government deficit—will be removed. . .

"It is true that there may be in store for us a larger issue of paper currency and that too, before very long. But this need upset no one. If it comes about, it will be primarily in order to pacify the farmers oppressed by low prices and the burden of debt.

"The farmers will find, however, that while prices for their products rise, the cost of the things they buy will also rise. Is it not probable that as this fact comes home to them their enthusiasm will lag? Meanwhile the opposition may be expected to gather strength so that, lacking the primary urge to further inflation, the movement will in all likelihood be arrested."

This comment, however, was made before more recent developments in the United States brought about the resignation of Dr. Sprague.

A representative group of 44 economists and financial journalists recently sent a letter to Washington, in a plea against inflation. The meat of their comment was:

"Inflation of the currency will injure the nation.

"The degree of public confidence essential for economic recovery will be attained most quickly by a return to the gold standard."

On the other side, we find United States Senator Harrison, chairman of the finance committee of the American upper house. After a conference with President Roosevelt, he was reported to have commented recently:

"We have made some advance. Statistics show improvement. I like any programme that will raise prices. If the gold programme does it, I'm for it. I have felt the president is trying to do his duty. If the gold programme does not work out, I believe the president will take some other course."

This is fairly typical of the inflationary body of Washington politicians. There are, of course, a good many anti-inflationists among them.

Ambiguous Statement

To get back to economists, Dean J. T. Madden of New York University's Department of Commerce, Finance and Accounts, surprisingly seems to see no harm in certain aspects of inflation:

"I suspect that Washington now realizes that currency depreciation alone will not bring about a substantial rise in prices. . . .

"One of the uncertainties is that the government may endeavor to give business another shot in the arm through the issue of greenbacks. . . . I would not be astonished if this came to pass shortly before the next Congress meets. . . . .

"Will the government have the courage to apply the brakes if the engine of inflation gets going too fast? We failed to do this in 1928. But I see no special cause for alarm if the government decides to experiment with a greenback issue, provided it is kept within the present proposed limits. The probable results are well known, its ultimate futility needs no elaboration, and more of our citizens will then have some experience with monetary principles."

Perhaps, however, the sting is in the tail of Dean Madden's comment. It is not clear whether he means that nothing would come of moderate currency inflation, and the people thereby educated not to rely on it, or whether the people can only learn inflation's dangers by being subjected to its tortures.

Inflationist United States Senator Thomas sees devaluation of the dollar as a prime essential to resumption of the gold standard.

Mr. Thomas, therefore, gilds the pill. Nevertheless he is one of the price-raising school, labelled "inflationist" in the American press.

To Canadian observers of the American scene, it appears that the weight of opinion of those citizens of the United States who have made finance and economics a serious study is strongly against inflation of any experimental nature. The arguments for inflation appear plausible. Whatever happens, Canadians have a grand stand seat for the show. If the monetary fireworks in the United States become explosive, it is to be hoped that the resultant debris will not block Canadian recovery.

REVENUE OFFICIALS CHALLENGE POWERS OF TARIFF BOARD

(Continued from page 2)

Government and the department are the unswerving allies of the British producers. But while the Government has been an interested party to the battle, the Tariff Board has been functioning strictly as a court of law. The Board has had no regard whatever for either United States or Welsh tinplate producers; has striven only to discover what is the law and to declare it.

Dumping Duty Imposed

The United States Steel Corporation opened a tinplate factory at Ojibway in November, 1930. The factory received the ordinary protection and additional tariff in the form of dump duties. These special duties have not been made public but it is believed they are the usual dump based upon production costs in Canada. The Minister of National Revenue, under the Customs Act, declares the production costs and thereafter all imports must come in priced at this level or the dump operates automatically to take up the spread between the declared cost and the import price. The duties, of course, are imposed on the declared cost.

While the dump applied to British tinplate, it bore more heavily, due to tariff ratings, on United States tinplate. But last May 31, the Ojibway plant closed down. The United States producers notified importers and suggested that they ask the department to withdraw the dump. Under the Customs Act, the dump can be imposed only upon goods of a class or kind made in Canada.

Beneficial to Americans

The department did so in midsummer but it was found that the new tariff of 15 per cent (without dump duties) would enable the American producers to capture the Canadian market, just as the import statistics prove that the treaty enabled the Welsh producers to undersell the Ojibway plant despite the dump. Quite probably the treaty caused the shut-down of the Ojibway plant and convinced the United States producers that the only chance of retaining this market was by getting the tariff down to the lowest possible point and then exporting from the large plants at Pittsburgh and other large American centres.

But the moment the National Revenue Department discovered that the withdrawal of the dump and the drop in the general tariff from 20 to 15 per cent would turn the market over to United States producers, the old order was reinstated. The tariff was restored to 20 per cent and the dump re-imposed. Importers who had brought in shipments were compelled to make out new forms and to pay the higher duty and the dump.

Further Delays Sought

The appeal to the Board followed. The appellants, Mundet Cork and Insulation Ltd., of Toronto, contended that tinplate was no longer being produced in Canada and that the 20 per cent tariff and dump duties were illegal. The case came up in October and the National Revenue Department asked for an adjournment, pleading ignorance. The officials said they did not know if tinplate was or was not being produced; they would find out.

Inasmuch as the department under the law must certify that goods upon which dump duties are collected are being produced in Canada — this plea of ignorance caused astonishment at Ottawa. It was subsequently proved in evidence submitted to the Tariff Board that the National Revenue Department, at the time the dump duties were restored, had on its files a letter from the general manager of the Ojibway plant stating definitely that production had ceased.

Constitutional Issue Arises

The case was resumed on November 14 and the Board was engulfed in a storm of controversy. Counsel on behalf of the Welsh producers appeared and demanded an adjournment to permit study of constitutional and other features involved. And the Bennett Government intervened for the first time, requesting an adjournment in order that Government counsel might be appointed to argue constitutional aspects of the case.

The request was for an adjournment until February. The Board granted an enlargement only until December 12.

When the case was resumed, the Welsh producers announced that Richard Thomas and Co., of London, England, had opened a branch plant at Sarnia and that tinplate was now being produced in Canada. Nothing was said of the volume of production. The Canadian market normally takes 1,500,000 cwt. of tinplate. When asked as to volume, counsel for British interests replied that so long as tinplate was being made in Canada, that was the end of it.

Dump Duty Called Illegal

Last Monday the Tariff Board issued judgment. The decision is that tinplate should have been classed as an article not made in Canada: that the duty rate was 15 per cent instead of 20 per cent and that dump duties were illegal.

The fate the ruling will meet at the hands of the National Revenue Department is not yet clear. Ordinarily the departmental order imposing dump duties would be cancelled and refunds both as to the dump and the ordinary tariff would be made to all importers who have brought in tinplate since May 31 when the Ojibway plant closed. Whether the new Sarnia plant is producing tinplate on a scale sufficiently great to warrant placing the article once more on the Made in Canada list would be a question for the department to decide. If decided affirmatively, a new order would issue. If not, the 15 per cent rate without dump duty would continue.

May Ignore Ruling

The department, however, is almost certain not to follow this procedure. It is thought that the present dump will be continued in force without interruption. The department may, and probably will, refund dump duty payments and also one-quarter of the tariff receipts to importers who brought in tinplate between June 1 and December 12, but there will be no real interruption in the application of the higher protection. The United States producers will not be given an opportunity to ship large quantites of tinplate into Canada under low tariff and thus make the Sarnia operations unprofitable, nor will the Americans be allowed to muscle in on their Welsh competitors.

This looks like the end of the tinplate hearing. But the most important aspect of the case concerns the argument made to the Tariff Board by F. P. Varcoe, one of the law officers of the Crown. This argument concerns the constitutional powers of the Tariff Board and reveals that the Government is not only hostile to recent decisions but may be prepared to carry the issue into the courts.

Denies Appeal Authority

Mr. Varcoe argued that the Tariff Board lacks statutory authority to function as an appeal tribunal over the National Revenue Department. The Customs Act, he said, places the responsibility for the enforcement of the tariff directly and exclusively upon the Minister of National Revenue and his officials whose acts cannot be called into question nor their decisions reversed or modified by the Tariff Board.

The Tariff Board, he said, received whatever powers it possesses in this regard by reason of the fact that it inherited the authority and responsibility of the old Customs Appeal Board. The Customs Appeal Board, he declared, had been solely an advisory and not a judicial body. It had been a committee of the best men in the department who met from time to time to review administrative decisions and recommend future policy. The recommendations could be accepted or rejected by the Minister.

Therefore when the Tariff Board tried to function as an Appeal Court and to deliver judgments reversing or modifying administrative acts of the Minister and his officials, the Board was exceeding its constitutional power.

This was the broad argument presented by counsel for the department and the Government. Within this general argument Mr. Varcoe contended that the Board's decisions in any event could only affect future administration and even then only in the event of the minister being in agreement.

If this argument is sound, the Tariff Board in discharging its functions as the legal heir of the old Customs Appeal Board has grossly overestimated its powers. It is not, in fact, an appeal court at all, but merely an advisory body to the department. Its decisions have no force or effect, except as they may meet with the approval of the department.

"Made in Canada"

In the second place, Mr. Varcoe dealt with the meaning of the phrase, "Made in Canada." This phrase is of great importance. The protective tariff applies only to goods of a class produced in this country. The Customs Act, for example, states that dump duties, special tariffs, arbitrary valuations, etc., can be applied only on this class of imports.

The Tariff Board repeatedly has declared that the phrase means precisely what it says. An article either is or is not being "Made in Canada." Mr. Varcoe said this was not the view of his principals (the Government and the department). On the contrary he contended that an article should be considered as being made in Canada so long as:

1. There remained unsold any quantity of goods which had been produced in this country, and
2. So long as a factory was left in a condition where it might be placed in production upon short notice.

The Ojibway plant, for example, had shut down last May but had not been dismantled. Production could be resumed on 48 hours notice. The argument was that a plant remaining in suspended animation or being a "potential" producer was sufficient cause for a departmental ruling that an article was being "Made in Canada." This view of the law drew sharp protests from Chairman Sedgewick and other members of the Board.

Is Government Right?

Finally, Mr. Varcoe glossed lightly over the treaty phase of his case. He intimated that the treaty pledge of tariff spreads might include all special tariffs, dumps, etc. Hitherto it has been supposed that the treaty pledge covers only the rates of tariff set out in the document itself.

The Varcoe argument being the official view of the department and the Government is conceded at Ottawa to be much the most important event which, so far, has occurred in relation to the Tariff Board. If the Government is right the Board is purely an advisory body on all counts. If wrong, the Board has power to function as an appeal court with respect to administration.

Seek Early Decision

The general wish both at the Tariff Board and in the department is that the sooner the question is resolved, the better for the business community and the Government service. And the Tariff Board, in proceeding at once to deliver judgment in the tinplate case as an Appeal Court has accepted Mr. Varcoe's challenge. The judgment invites litigation.

How the case can be taken to the courts is a matter of general discussion. It is open to anybody to take out an injunction restraining the Tariff Board from functioning as an Appeal Court. Or it is open to anyone, according at least to lay opinion, to proceed against the department for ignoring the Board's rulings. The present position cannot continue. Bonafide business men have come to the Board with appeals and have received decisions which the department refuses to accept.

Right now the department says the tariff law is one thing and the Board says it is another. And the department, having control of the enforcement machinery, is putting its view into effect. The result is to make the tariff enforcement ridiculous in the eyes of Canadian, British and foreign business men. The machinery of tariff enforcement has got out of control. Moreover, the Tariff Board by its judgments declares itself possessed of power which the Government contends resides elsewhere.

Law Unto Itself

The dispute springs from the desire of the department to be a law unto itself in matters of tariff enforcement. The department wants the ancient order retained and has the active support of the cabinet.

There is an alternative way of settling the controversy—by statutory amendments put through Parliament next session. This sounds easy but would probably be difficult. Events have proved that the Government wants an advisory board but the old Liberal board was abolished for this very reason. It was an advisory body pure and simple. And when the Government enacted the present Tariff Commission Act the chief argument in support of it was that the new body would be much more than an advisory one; would have teeth and the power to bite with them.

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Utilities and Transportation

MOTOR TRANSPORT ACHIEVES ACCORD ON SEVEN POINTS

Parley Deemed Success Despite Constitutional and Other Problems

From Our Own Correspondent

OTTAWA.—Endorsation of the seven principles of motor vehicle control recommended by the Duff Transportation Commission marked the Dominion-Provincial conference held at Ottawa last week as an outstanding success.

This is the fact, notwithstanding that not a few newspapers and interested parties, have pronounced the conference a failure.

Progress Now Possible

It is true that the endorsation of the Duff recommendations by all the provincial delegates was more or less academic, but even so it is believed that steady progress toward uniform taxation and regulation of motor vehicles is sure to follow.

The Duff Commission recommended the following measures: Publication of schedules of rates and charges and regulations requiring road carriers to accept and carry under these tariffs what freight is offered to them without discrimination; protection of passengers by insurance; a proper system of accounting; regulation of working conditions and wages; standards of physical fitness for operators; preservation of road surfaces.

On all but the last recommendation the dominion-provincial conference approved resolutions couched almost in the identical language of the Duff report.

Constitutional Difficulties

It is true that the provincial delegates declined to surrender any part of their constitutional right to control motor vehicles to the federal government. This, it is suggested, will prevent speedy formulation and enforcement of dominion-wide policies of taxation and regulation. But with all the provinces in agreement as to the proper course to be followed, it is felt that headway will be made.

The conference, unfortunately, failed to reach any accord on the detail of the regulations and the nature of the additional taxation, and since there will not be a second conference until the fall of 1934 it may be impossible to build up a uniform policy in the interval. This is particularly true of the taxation phase of the problem.

It is understood that Hon. R. J. Manion, Minister of Railways, will act as an intermediary between the various provincial governments in the meantime, and every effort will be made to have at least a part of the control programme carried out during the forthcoming sessions of the legislatures.

CANAL TRAFFIC GAINS FOR YEAR

November Traffic Below October But Above Last Year

Iron ore through the Sault Ste. Marie Canals, Canadian and United States locks, declined from 4,782,866 tons in October to 797,343 tons in November. This, however, was approximately three times the tonnage passed down the canals during November, 1932.

Wheat shipments amounted to 27,252,525 bushels as against 33,134,300 bushels last year and flour and bituminous coal also decreased. Total freight through the canals amounted to 3,021,831 tons, or 144,363 tons above the November, 1932, tonnage. Up to the end of November, 40,138,857 tons of freight used the canals this year as against 20,266,213 tons in 1932.

Due mainly to light movement of corn and wheat through the Welland ship canal, total traffic amounting to 1,070,057 tons declined 16,505 tons from the November, 1932, traffic. Bituminous coal was heavier than last year by 90,070 tons, pulpwood by 21,251 tons, iron ore by 15,110 tons and rye by 22,100 tons. Corn, wheat, gasoline, sugar, and oils. Total freight to the end of November amounted to 9,063,736 tons in 1933, as against 8,390,735 tons in 1932, an increase of 675,001.

Total traffic using the St. Lawrence canals during November amounted to 774,634 tons which was an increase over last year's traffic of 23,414 tons. November, 6,945,396 tons of freight used the canals this year, as against 6,642,584 tons for the same period in 1932.

Dominion Steel Add Two Directors to Board

From Our Own Correspondent

MONTREAL. — Two new directors have been elected to the board of Dominion Steel and Coal Corp. at a meeting of the board held in Montreal last week. The additions to the board are D. W. Fraser, of New York, and Col. A. N. Jones, of Halifax.

Smelters' Cash Dividend Aids C.P.R.'s Special Income

From Our Own Correspondent

MONTREAL. — Consolidated Mining and Smelting Co. of Canada's action in declaring a cash dividend of $1.50 a share will have an important bearing on the special income account of the Canadian Pacific Railway for 1933.

At the end of last year the Canadian Pacific owned 305,587 shares of Smelters' stock. This does not take into consideration the 10 per cent stock dividend declared by Smelters too late for inclusion in the 1932 accounts. The C.P.R.'s holdings at present, therefore, total 336,145 shares. The current cash dividend, which will be paid in time for inclusion in the 1933 accounts, amounts to $504,217.

During the current year the Canadian Pacific has or will receive from its mining subsidiary 30,558 shares of stock of the par value of $25 each and the cash dividend of over $500,000. The market value of the stock is greatly in excess of the par value, so that the company's income account, on the basis of present market values, has been benefitted by more than $1,000,000 this year.

From present indications it would appear that the Canadian Pacific's operating income will be on about the same basis as last year. The special income account, accordingly, will largely determine whether or not the company will be able to report an increase in earnings. The larger return from Smelters will go a long way toward that objective, though it is doubtful if anything will be available for the common stock.

JAMAICA SERVICE DEBT IS REDUCED BY SINKING FUND

Issue More Preference B Stock — Earnings Are Maintained

From Our Own Correspondent

MONTREAL. — Jamaica Public Service Ltd. consolidated balance sheet for 1933 will reflect the operation of the sinking fund on its operating company's bonded debt, an increase in Class "B" preferred stock, and with earnings on or about the same basis as in 1932.

Interim statements issued by the company show that since the beginning of this year, Jamaica Public Service has reduced the funded debt of the operating subsidiary from $2,000,000 to $1,970,000 through operation of the sinking fund which came into effect at mid-year.

Issue Customer Stock

At the same time the amount of 7 per cent preference "B" stock outstanding has been increased from $250,000 to $298,082. This stock has been used by the company for customer-ownership purposes. At the end of last year the company had issued the full authorized amount. In order to take care of the additional sales, the authorized amount was increased in pounds sterling to the equivalent of $250,000.

For the first 10 months of 1933 the consolidated income account showed net earnings at $212,809 compared with $207,709 for the same period last year. A slight increase in net direct charges, reduced the amount of earnings available on the common stock by less than $5,000. It is possible that this decline will be made up during the last two months of the year, when income normally shows an upward trend.

Edmonton Gas Schedule Revised for Large Users

No action has been taken by the Board of Public Utilities regarding an increase in rates for natural gas used for domestic purposes in Edmonton but the board has approved the revised schedule of rates submitted by Northwestern Utilities Ltd. for gas supplied to large consumers. The new rates are retroactive to October 28 and will continue in force until April 26. The schedule is optional with large consumers who may remain under the old rates. The existing maximum rate remains in force.

The new optional schedule is: for the first 1,000 cu. ft. a month, $1.90; for the next 1,000 cu. ft. per month, 80 cents; for the next 58,000 cu. ft. per month, 30 cents per M.; for the next 940,000 cu. ft. per month, 25 cents per M.; for the next 500,000 cu. ft. 23 cents per M. and for the next 1,500,000 cu. ft., 18 cents per M. The contention of the city that a general reduction in rates affecting all classes of consumers and ranging from 10 to 25 per cent should be made is regarded by the Board of Public Utilities as "a mere expression of opinion" on the part of the city council and the question could only be determined at a formal rate hearing.

Vancouver Gives Right To Build Huge Bridge

From Our Own Correspondent

VANCOUVER.—Prospect of expenditure of some $6,000,000 in the near future proved irresistible for Vancouver voters and they passed a plebiscite favoring construction of the proposed Lion's Gate bridge across the First Narrows at the entrance to Vancouver harbor, by a two to one majority.

The bridge is to be financed by British capitalists, said to include the Leverhulme and Guinness interests. The city is required to make no financial outlay except in respect to preparation of the bridge approaches.

The only possible hitch now is for the plans to be disapproved at Ottawa, but those in charge of negotiations here do not anticipate any delay on that account.

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SAINT HYACINTHE SEEKS NEW POWERS

Wants Authority to Set Up Municipal Power System

From Our Own Correspondent

MONTREAL. — St. Hyacinthe will apply to the next session of the Quebec legislature for authority to amend its charter for the purpose of creating a commission to set up a municipal system of production, distribution and sale of electric power.

A short time ago the city and Southern Canada Power had a difference of opinion over the electric rate schedule, the former claiming that the rates were too high. A referendum was taken on the matter of establishing a municipal system and a majority of the ratepayers favored setting up an independent system. Following this move Southern Canada offered a substantial reduction in rates, but to date no action has been taken by the municipal authorities.

Powers of Commission

In its application to the legislature, the city proposes to have the commission run by an equal number of aldermen and ordinary taxpayers, no member to receive remuneration for his services.

It is provided in the amended charter that the commission cannot donate or sell electricity at a reduced price, the tariff in force to apply to all classes of consumers; the sale of electric power to any consumer will be discontinued to any consumer who is in arrears in the payment of his bills. The city also requests power to make a by-law for the sale of electric power in the municipalities situated within a radius of 21 miles from the centre of the city.

B. C. Power's Earnings Ahead of Last Year

From Our Own Correspondent

MONTREAL.—For the fourth consecutive month, net earnings of British Columbia Power Corp. register an increase. This is largely seasonal, though the trend is somewhat more favorable than a year ago.

Gross earnings last month totalled $1,084,959, expenses $722,385 and net income $362,574. For the same month last year gross revenue amounted to $1,093,745 and net $358,798.

Cumulative returns for the four months ended November, 1933, show gross revenue at $5,163,433; expenses $3,578,329, and net $1,585,104. For the corresponding period a year ago the company had a gross revenue totalling $5,353,653, against which expenses totalled $3,791,909, leaving a net income of $1,561,744.

N. B. Power Board Sales Show Advance

From Our Own Correspondent

MONTREAL. — New Brunswick Power Commission reports that November sales of energy were up 4 per cent compared with the same month a year ago. This was in marked contrast to the consumption up to the latter part of August, which showed a decrease compared with last year.

According to Hon. E. A. Reilly, chairman of the commission, contracts with Minto operators for slack coal for the power plant at Newcastle Landing, on Grand Lake, have been renewed for another year on a basis of 20,000 tons at a somewhat reduced figure. Six operators contract to provide this coal.

Southern Canada Power Net Income on Lower Basis

From Our Own Correspondent

MONTREAL.—An increase in operating expenses and a decline in gross income affected net revenues of Southern Canada Power Co. for last month. Gross revenues for November totalled $187,265 as against $188,691 for the same month last year. Expenses were higher by $1,171, leaving net income at $121,692 compared with $124,289 for November, 1932.

During the first two months of the current fiscal year ended November gross income aggregated $367,159, expenses $131,397 and net revenue $235,762. For the same two months' period of 1932, Southern Canada had a gross revenue of $375,043; expenses $128,976, and net revenue $246,067.

Dalhousie Paper Mill Activity Moves Forward

From Our Own Correspondent

MONTREAL.—New Brunswick International Paper Co., now part of Canadian International Paper, is employing over 700 men on full time. The payroll for October last is reported to have been more than twice as large as that for the same month last year.

Production at the Dalhousie mill from May to October this year is reported at 63,000 tons, compared with 67,000 tons from May to October last year. The increase recorded so far in 1933 is likely to be maintained throughout the balance of the year and into 1934 in view of the much more favorable outlook for the newsprint industry.

Public Utility Earnings

B. C. Power Corp.

November:	1933 $	1932 $	Increase $
Gross earn.	1,084,959	1,093,745	†8,786
Op. exp.	722,385	734,947	†12,562
Net earn.	362,574	358,798	3,776
Five months ended Nov. 30:			
Gross earn.	5,163,433	5,353,653	†190,220
Op. exp.	3,578,329	3,791,909	†213,580
Net earn.	1,585,104	1,561,744	23,360

†Decrease.

Southern Canada Power

November:	1933	1932
Gross revenue	$187,265	$188,691
Oper. expenses	65,573	64,402
Net income	121,692	124,289
Two Months Ended Nov.:	1923	1932
Gross revenue	$367,159	$375,043
Oper. expenses	131,397	128,976
Net income	235,762	246,067

Roosevelt Shies At Stabilization

Yet There is Ample Room for Credit and Currency Expansion Within Sound Dollar

By DR. GAINES T. CARTINHOUR
New York University

NEW YORK.—Canadian observers of American developments are undoubtedly interested in the controversy between the sound money group and the supporters of inflation. There are two major points in the controversy.

The first point of difference is regarding whether or not inflation can be controlled. The former believes it cannot, while the latter contends it can.

The second point is concerned with whether the dollar should have a fixed base in gold or in purchasing power. The inflation group wants a commodity dollar, the others a gold dollar with a fixed value in this metal.

The writer advocates the views of the sound money group, and contends that only by following such a policy will public confidence in the American dollar be completely restored and business men be willing to enter into contracts involving future settlement. The administration should announce it will not insist upon a commodity dollar or enter into similar currency experiments, but will adopt a policy directed toward a return to a dollar containing a fixed amount of gold, regardless of whether it is 10 or 15 grams or the present 23.22.

Would Avoid Stabilization

However, President Roosevelt's recent statement—the most emphatic on the subject since his July 3 message to the World Monetary and Economic Conference at London—indicates that he contemplates no stability in the immediate future and wants to have a dollar stable in commodity purchasing power, with a fluctuating gold content. The administration seems to be trying in every way to shake the dollar loose from the effects of any reports of stabilization. It is also understood to be projecting legislation to validate the gold purchasing operations and perfect the machinery for future operations.

Reports of joint pound-dollar stabilization conferences with Bank of England authorities have been officially denied. As is well known, the British Government is ready to use anti-dumping duties rather than currency devices as a defense should the present American currency depreciation plan be maintained indefinitely.

Wall Street's fears of inflation have not subsided; it also believes a continued dollar depreciation policy will be followed indefinitely. The administration would probably not even consider cessation of gold purchases until the dollar drops to at least 50 cents, and stabilization may not be attempted then unless domestic prices average much higher. It seems to have farm prices especially in mind, and they will have to increase substantially before the dollar price level would be considered satisfactory.

Congress is Inflationist

Stabilization is a generic term just as sound money is. While the latter superficially means maintaining the convertibility of American currency into gold, actually it requires a country to maintain those principles guaranteeing continued convertibility. It is significant that Congress meets in about two weeks and is still reported as a whole to be inflationist, though not so much so as was thought to be the case last March and April. Fortunately, there will be a sound money bloc but it is doubtful if it will be large enough in one or both houses to do any good. The currency and silver problems will probably become urgent issues.

Business confidence is greatly impaired by currency experiments and the resultant flight of capital. From the start the gold purchase plan has been operated in a mysterious manner, particularly in the foreign market. It has never been made intelligible. Nothing is more important than absolute certainty as to the basis of money. Without it business will not go ahead. It cannot be stimulated by increasing the value of gold, which is inert, or creating additional bank reserves, which are equally passive, but by stimulating the expansion and velocity of currency and commercial bank deposits, and the long term capital market. The way to do this is to establish confidence and amend the Federal Securities Act, as indicated in my dispatch of last week.

Beneficial Results Seen

Stabilization of the dollar would accomplish much good. On the basis of stabilization on a 50 per cent depreciation of the gold content of the dollar, the United States could support a volume of money in circulation between $13,000,000,000 and $14,000,000,000, with a gold coverage the same as it was before our departure from the gold standard.

As soon as dollar depreciation is stopped, capital will return to the United States. It will not be necessary to definitely fix the gold content of the dollar—just to reach a stabilization point. The accounts involved, probably exceeding a billion dollars, can no doubt be repatriated quickly. The flight of capital has not increased exports as expected, nor has the depreciation of the dollar stimulated in a direct way an increase in exports from the United States. However, foreign trade is now guided not so much by prices, as by tariff barriers, trade agreements, and credit facilities.

Canada realizes, of course, that the American capital being deposited in her banks and invested in her domestic security markets will not remain indefinitely. The restoration of confidence through stabilization would cause a reversal of the flow of funds. Fortunately, Canada enjoys a high credit standing in the American market and can readily sell bonds or secure short-term credits to offset any temporary unfavorable balance of payments resulting from repatriation operations. A very substantial amount of the capital involved has gone to Canada and the problem of maintaining monetary stability will require careful consideration as soon as the funds begin returning to the United States.

Flight of Capital

Declining bond prices in the U. S. and the strength in Canadian and British bonds have reflected the flight of American capital, with our investors evidently very much inclined to acquire Canadian and British securities. Neither of these countries are on the gold standard, but inflationary measures are considered less likely than in the U. S. Purchases have not been confined to these securities in American markets, otherwise there would have been no net flight of capital from the U. S. Purchases at present are confined to bonds abroad already outstanding, whereas in the past they have usually been confined to new issues.

While it is clear that the Canadian dollar is influenced materially by American policy, Canadian currency is indicating a tendency to occupy a mid-position between British stability and American depreciation. Future policies affecting gold values of the currencies of leading countries will determine the future course of foreign exchange quotations.

CAN. COTTONS PLACE COMMON ON PAYING BASIS

Marked Gain in Earnings Seen in Directors' Action

From Our Own Correspondent

MONTREAL. — Marked change in Canadian cotton textile operations this year is reflected in the decision of the management to place the common stock of Canadian Cottons on a dividend basis, with the declaration of a dividend of $1 a share.

This is the first disbursement on the company's common shares since January, 1930, up to which date for a period of many years the company had been paying dividends at the annual rate of $8 a share.

The management has not indicated whether or not the current dividend is on a quarterly or an interim basis. It is presumed that future action will be determined by operating results.

Room for Betterment

During the year ended March 31 last the company reported a net income from operations of $40,114 and an income from investments of $137,652, making a total of $177,766. From this was deducted bond interest, leaving a net income of $90,736.

This was equivalent to about 40 per cent of the dividend requirements on the preferred stock. Declaration of the common dividend, therefore, would indicate to date this year the company has earned its preferred dividend by an ample margin. Further it would appear that net income this year is likely to be in the neighborhood of $250,000 to $300,000, compared with less than $100,000 in the past fiscal year.

Berry Elected Director Of Guaranty Trust Co.

J. Wilson Berry has been elected a director of the Guaranty Trust Co., Windsor, Ont. For the past eight years, Mr. Berry has been assistant manager of the company and prior to that time was with the Sterling Bank of Canada.

Coal Judgment Clears Meaning Combines Act

From Our Own Correspondent

OTTAWA.—For the reason that it more clearly defines the Combines Investigation Act, the judgment delivered at Quebec by Hon. Wilfrid Laliberte in the coal combines case is being closely studied at Ottawa.

It is felt that this statute, possibly more than others, requires clarification at the hands of the judiciary and Justice Laliberte's judgment is thought to reveal clearly its basic purpose which is to ensure competition.

Competition Not Price Level

The judgment sets out that it is not the responsibility of the court to decide if prices are reasonable or not. But it is deemed to be the duty of the court to discover if competition exists. If the evidence discloses that there has been undue lessening of competition a breach of the act is established. In principle, therefore, the Combines Act is an instrument to assure competitive conditions rather than reasonable prices.

In this regard Justice Laliberte has followed the precedent set by the judgment in the Alexander case in Toronto. In this case the judge came to the same conclusion.

The two judgments are believed to dissipate any doubt there may have been as to the real meaning of the statute.

U. S. Goods Valued at Par For Duty in Newfoundland

Newfoundland has announced that on goods imported under invoices valued in United States currency, the value for duty purposes is to be taken at par, as from Nov. 27. This was recently announced in the Newfoundland Gazette.

Effective from Dec. 11, conversion, for duty purposes, of invoices in the currencies of the following countries is to be made at the premium above par indicated as follows: Czechoslovakia, 61 per cent; France, Germany, Belgium, Switzerland, Holland, Dutch East Indies, Italy and Hungary, 60 per cent; Roumania, 65 per cent; Poland, 62 per cent; and Austria, 30 per cent. Both these orders are effective until further notice.

BILTMORE HATS PROFIT HIGHER FOR THIRD YEAR

Earns $17.21 on Preferred Shares — $1.10 on Common

Increase in dollar volume of sales despite a poor volume of business in the first half of the fiscal year ended November 30, 1933, increase in net earnings and working capital position is reported for Biltmore Hats Ltd. in the year just ended. The company earned $17.21 per share of preferred stock and $1.10 per share of common stock as compared with $15.87 and 98 cents respectively on these shares in 1932. The company has consistently reported increased earnings in each year since its incorporation in 1929.

Neither the balance sheet or the income and surplus account indicate the amount of reserves established against depreciation, inventories, bad debts, etc. F. R. Ramsey, president of the company, states that increase in appropriations for these items has been substantial. The income and surplus acount of the company is as follows:

	1933 $	1932 $
Net earnings†	48,180	45,071
Less: Inc. tax res.	6,192	4,377
Net profit	41,988	40,694
Less appropriations:		
Pref. dividends	17,517	18,865
Prov. for redemp. of pref. shares	2,478	2,230
Surplus for period	21,998	19,599
Add: Prev. surplus	55,332	35,266
Accs. rec. w/o and recovered	952	984
Less: Addit. inc. tax prior years	644	517
Balance carried for'd.	77,638	55,332

†After depreciation, etc.

Working capital has been increased by $30,912 to $294,048. Cash is down to $2,830 from $29,346 but the difference is largely accounted for by investment in provincial government bonds carried at cost of $24,896. Accounts receivable, after reserve, are up to $145,507 from $115,986 and inventories are up to $142,630 from $135,331. Cash surrender value of life insurance is up to $2,900 from $2,520. Accounts payable are up to $12,286 from $9,979 and income tax reserve to $6,192 from $4,377 with sales tax payable up to $1,967 from $1,202. Working capital position is as follows:

Working Capital

	1933 $	1932 $
Current assets	318,763	283,183
Current liabs.	24,715	20,047
Working capital	294,048	263,136
Ratio	12.90—1	14.13—1

Deferred charges remain practically unchanged at $1,946. Land remains at $2,000 but buildings, machinery, etc., are down to $140,410 from $155,963. During the year 125 shares of preferred stock were redeemed leaving 2,440 shares of $100 par value outstanding and 20,000 shares of no-par value common carried at $85,475.

New Books

EXCESS TARIFF IS KEY PROBLEM OF AUSTRALIA

New Study Points to Many Uneconomic Industries

Some very useful studies of the economic position of Australia, Canada and New Zealand are now being made under the auspices of the Royal Institute of International Affairs, the Institute of Pacific Relations and the London School of Economics. The first of these, under the title of "Australia as Producers and Trader," compiled by Nancy Windett, has just been published. It traces the development, during the post-war years 1920-1932, of the main primary and secondary industries of Australia, and is one of the most complete studies of the economics of a nation that has yet been attempted.

To some extent the volume is a study of Australia's particular problems of making a living in a highly competitive world but as the picture is painted against the broad background, not only of the Pacific basin but of the world at large, there is much in it of definite and direct interest for Canadian students of world trade and fiscal policies.

Tariff Raises Costs

Mrs. Windett concludes that Australia is handicapped in world trade by high costs of production and she attributes these largely to the exceedingly high tariff in force in Australia. There is much uneconomic protection in Australia, she declares and she mentions some of the effects of the tariff which are, to the average person, "unseen." She hopes to see Australia finding increasing diversity in markets and enlarging its export trade not only to the Far East but to Continental Europe.

There is a foreword by Professor J. Coatman of the University of London and a preface by Professor D. B. Copland of the University of Melbourne. The volume is adequately foot-noted and supplied with extensive appendices and statistical tables, which make it a valuable reference book as well as a volume for immediate reading.

Wages are High

If one could sum up Mrs. Windett's general conclusions in a few words it could be done by quoting her statement that "unemployment is still very high and wages in secondary industries remain much higher than in the countries with which their products compete in the home market. While these conditions are in force Australia will not be able to take full advantage of a revival of general business activity owing to the heavy burden upon primary producers imposed by the uneconomic position of secondary industries."

"Australia as Producer and Trader, 1920-1932" by Nancy Windett, B.Sc., is published by the Oxford University Press, Toronto, under the auspices of the Royal Institute of International Affairs, and is priced at $4.50.

The supplementary volumes on Canada and New Zealand will be awaited with the keenest interest.

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News of Investment Markets

GILT-EDGED LIENS CONTINUE BETTER WESTERNS MIXED

Price Bros. 6's Up Seven Points on Improved Offers

Gilt-edged Canadian bonds improved their position in the week ended Dec. 19. Western provincial bonds were again softer, but some signs of recovery appeared among Canadian-payment issues. Issues payable in both the United States and Canada showed the most weakness, indicating a possible preponderance of offering from American investors. The whole market was quiet as is common with the approach of the Christmas season.

Corporation bonds were steady. Price Bros. 6's of 1963 were up seven points, at 62, on announcement of a new offer for the property. The new offer, from Beaverbrook, Rothermere, Duke-Price interests, is understood to be considerably more favorable than the recently rejected Bowater proposals. And the Bowater group is expected to improve its offer. United Grain 5's of 1948 and 5½'s of 1949 were up five and four points respectively to 73 and 76. Public utility issues showed mostly factional changes, or none at all, and real estate bonds were featureless.

Western Provincials

The developments in the market for western provincial bonds are indicated below:

Changes in Bid Prices for Western Provincial Bonds

		Bid Dec. 18	Bid Dec. 11	Chge.
Payable in New York and Canada				
Alta.	4½'s '56	79	81	—2
B. C.	4½'s '58	80	82	—2
Man.	5's '59	85	87	—2
Sask.	5's '59	84	84	..
Payable in Canada only				
Alta.	6's '47	95½	84	+1½
B. C.	6's '47	93	92	+1
Man.	6's '47	92½	94	—1½
Sask.	6's '52	89½	91	—1½

The division of the table into two sections shows that American-payment issues experienced greater weakness than the Canadian payment bonds. The latter showed mixed movements. The yields on two-payment issues ranged from about 6.17 to 6.49 per cent at Dec. 18, whereas yields on the Canadian-payment bonds ranged from 6.27 to 7.01 per cent.

Gilt-edged Bonds

The gilt-edged bond market recovered a substantial part of the ground lost in late November. This is taken to indicate a contrast between the trend of interest rates on what are regarded as the most secure Canadian bonds and those of financially weaker Governments, such as those in British Columbia, Saskatchewan, Manitoba and Alberta, where poor crops and prices have made for unfavorable financial reactions.

The declining trend of yields on Canadian high-grades, as prices improved, is shown below:

Average Yield on Seven Canadian High Grade Bonds

	%		%
Dec. 19	4.547	Dec. 12	4.570
Dec. 18	4.550	Dec. 11	4,583
Dec. 16	4.553	Nov. 30	4,557
Dec. 15	4,557	Nov. 22	4,666
Dec. 14	4,556	*Aug. 29 ...	4,350
Dec. 13	4,559	†Mar. 10 ...	4,766

* Lowest yield, highest prices, 1933.
† Highest yield, lowest prices, 1933.

It is noteworthy that the recent average is about midway between the high and low figures for 1933.

Interest in municipal securities was lacking in the week. The recuperating market was not considered favorable for new offerings. And seasonal influences also worked to keep interest low and offerings scarce.

Obituary

C. H. McDUNNOUGH, manager of Stanley St. branch, Montreal, of the Royal Bank, died on Dec. 1.

B. B. Manning, manager of the Dominion Bank in London, Ont., died on December 10 in his 47th year. Mr. manning was manager of the London branch for 12 years and previously had managed branches at Dresden, Huntsville and St. Catharines.

Charles M. Manning, manager of the Gerrard and Main St. branch, Toronto, of the Bank of Nova Scotia, died on December 10, at the age of 58 years.

Sir Charles Gordon Heads Dominion Textile Co.

From Our Own Correspondent

MONTREAL. — Following the annual general meeting of shareholders of Dominion Textile Co., announcement was made of the appointment of Sir Charles Gordon, presently chairman of the board, to the presidency in succession to the late F. G. Daniels. Sir Charles, who also is president of the Bank of Montreal, has been a director of Dominion Textile Co. since its incorporation in 1905.

Walkerville Pays Debts of Yuletide Default Avoided

Town of Walkerville, Ont., only one of the border cities municipalities to avoid default, last week was able to meet $411,569 of principal and interest which fell due Dec. 14. Of this payment, $140,000 was on account of the town's housing commission bonds, and the recipients pledged themselves to reinvest it in new bonds, it is understood. By this Yuletide exchange, refunding of the housing bonds and technical default was avoided.

Of the $411,569 paid, $279,132 was on principal and $132,437 for interest. By meeting all its obligations on Dec. 14, Walkerville ensured itself against default for another year during which time no debenture payments fall due.

YORK TOWNSHIP TO PAY PRINCIPAL ON A FEW BONDS

To Meet Defaulted High School Issues—Discrimination Claimed

Supervisors and officials of the township of York, Ont., which recently defaulted principal of maturing debentures, have made provision for redemption at an early date of high school debentures that matured on Oct. 1 and Dec. 1, The Financial Post is informed. This redemption, amounting to $7,168, places the high school debentures, which are guaranteed by the county of York, in a preferred position.

Principal payments on the high school debentures were defaulted along with principal payments on all other township maturities in the last three months. Arrangement for this payment is understood to have been made because of York county's guarantee. If the debentures were not redeemed, it might lead to action against the county by the holders. It is to avoid this that the payment is expected to be made, it is understood, thus removing a source of possible financial embarrassment to the county.

Claim Discrimination

Although the amount of the redemption is small, some observers are inclined to feel that the payment amounts to discrimination against holders of other types of the township's debentures. Inasmuch as the bonds were issued by the township, it is considered discrimination. The contention seems to be that the township is responsible for the maturities. If it does not meet all principal payments, it should meet none, it is said. Then the county would be called upon, under the guarantee, and if this body met the maturity, the present grounds for objection might be removed. The criticism is against the township meeting payment of the guaranteed bonds to help the county.

Apparently the reason that supervisors are arranging the payment is that the county pays much of the township's high school costs. And although the bonds were issued in the name of the township, they are really for the high schools that are maintained largely by the county. And so the effect of the arrangement is apparently to use funds granted to the township for high school purposes, to redeem the debentures, and to save the county from the possibility of having to provide the funds a second time.

May be Others

There may be one or two other small maturities to be handled in the same way, The Financial Post is told.

York township has paid all interest due on bonds to date, except on those which were defaulted upon maturity. The matured bonds, of course, carry no coupons for dates later than maturity. Some arrangement will soon be made, it is understood, to pay interest on the matured bonds that were defaulted.

United Distillers (Can.) Offers 229,994 Shares

Among security issues filed for registration with the United States Federal Trade Commission is one by United Distillers of Canada, Vancouver, B.C., "a Canadian corporation holding all shares of United Distillers, Ltd., a Canadian corporation manufacturing and selling alcoholic liquors in Canada."

The present offering is 229,994 ordinary shares at a total aggregate price of $1,457,400. The officers named are R. Whitelaw, president, and A. L. McLennan, secretary, both of Vancouver.

EXPECT ONTARIO SOON TO EXPLAIN $500,000 SURPLUS

Premier Restores Pay Cut With Christmas Greetings to Civil Servants

The Christmas present of the Henry Government in Ontario to the civil servants of the province is restoration from Nov. 1. of the pay cut effected last April, according to an anouncement by the premier early this week.

Reported increase of the provincial surplus for 1933, to nearly $500,000 from the formerly expected $150,000, is given as the reason for the restoration. An announcewill probably be made next week, The Financial Post is informed, as to some of the changes in budget experience, which resulted in the reported surplus. The reported figure of $500,000 is not far off what will be shown as a surplus, provincial officials state, but the amount may not be quite that much.

The reported improvement in the budget is mostly due to changes in results on ordinary receipts and expenditures, it is stated. Revenues have been improved in certain departments and operating costs in some have been reduced below budget expectations, it is understood.

Salary Restoration

The salary adjustment restores the scale of Jan. 1, 1932, when the first pay roll slash was made by the province. At that time cuts were made from two to 25 per cent on salaries ranging from $1,000 to over $10,000 per annum. In April, 1933, this was increased to from five to 35 per cent. The latter deduction is being restored, with Christmas and New Year's greetings to public servants from Hon. Geo. S. Henry.

McD. and C. Holdings Declare Initial Dividend

From Our Own Correspondent

MONTREAL. — Directors of McD. and C. Holdings Ltd., a holding company for all the assets of the old brokerage firm of McDougall and Cowans which went into bankruptcy in October, 1931, have authorized an initial capital payment of 10 per cent on account of the company's outstanding certificates of indebtedness.

This payment will be made on December 29 next.

Under the plan McD. and C. Holdings was to receive not only all assets from the estate of McDougall and Cowans, but 60 per cent of the profits of the new firm after resumption of business, for a period of seven years ending in 1939. The scheme of arrangement was approved in March, 1932.

The initial payment to creditors shortly to be made will amount to approximately $475,000.

Int. Nickel Subsidiaries Redeem Outstanding Bonds

The entire issue of the Mond Nickel Co., 5 per cent first mortgage debenture stock, of which £375,000 is outstanding and redeemable Jan. 1, 1935, or earlier on six months notice, has been called for redemption at 105, the redeemable price.

All outstanding 6¼ per cent first mortgage debentures of Henry Wiggin & Co. Ltd., a subsidiary of Mond Nickel Co., which in turn is part of International Nickel Co. of Canada, amounting to £161,600 have also been called for redemption. Both issues will be redeemed June 1, 1934.

Oro Grande Mines Produces 131 oz. in First Clean-up

The first clean-up at the Oro Grande Mines in the Central Manitoba area is reported to produce 131 oz. of gold, which at normal value would be worth $2,700.

E. P. Sawyer, formerly with Dome Mines, has been appointed mine manager. Milling operations will be stepped up today to a 24 hour a day basis.

On the 260-ft. level, drifting is under way in the ore body developed on the upper level.

Bond Redemptions

Bond Issues:	Rate	Due	Redeem.	Price
Toronto Harb.	*4½%	1953	Dec. 27	..

* Purchase of $380,000 for sinking fund.

Greene Stabell Mines

Greene Stabell Mines, which started production last month, has reaped the first fruits of its effort, and has poured a gold brick valued at some $4,700. While this gives but little indication of the recovery owing to the absorption of gold in the milling circuits, it is another milestone in the successful development of the northwestern Quebec gold field.

Investment Notes

Significant Investors' Index Numbers

1926 — 100

No. of Securities:	Iron and steel 19	Pulp and paper 8	Milling 5	Oils 4	Textiles and clothing 9	Food and allied products 19	Beverages 8	Total industrials 93	Total utilities 19	Total co's. 118
1929-32:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	201.4	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.8	24.0	66.5	27.3	44.0	30.5	38.6
Monthly Figures, 1933:										
January ..	49.5	3.3	41.1	93.6	36.8	82.9	34.0	59.6	44.6	50.8
February ..	44.4	3.6	39.7	86.5	33.6	80.2	31.6	56.3	38.6	46.6
March	44.8	2.3	37.8	86.7	32.2	78.6	36.0	57.3	38.2	46.6
April	48.6	2.7	44.3	98.1	31.2	85.3	37.8	67.5	38.5	52.0
May	65.5	3.8	60.9	122.4	45.7	105.1	63.2	85.8	47.2	64.7
June	83.0	6.4	70.3	141.6	55.2	118.2	106.4	103.6	53.8	76.1
July	98.1	8.4	79.1	156.6	60.0	139.1	164.3	118.3	58.5	85.0
August	91.2	7.6	76.4	147.6	59.1	126.8	152.1	113.3	53.9	80.3
September .	84.8	7.3	73.0	150.4	61.6	121.0	159.4	115.1	50.7	80.2
October ...	72.4	6.0	70.8	128.7	58.2	111.5	127.5	100.1	45.9	71.5
November .	75.2	5.7	70.0	150.0	57.3	114.2	127.7	109.6	45.2	75.5
Weekly Figures:										
Dec. 7	66.1	.3	58.9	132.7	43.5	100.7	133.8	95.9	38.6	67.0
Dec. 14	68.5	.3	55.9	130.1	43.2	100.9	135.4	95.6	39.2	67.3

*High and low of 1929 and 1932 are based on weekly figures. In 1933 index numbers are given monthly for the first eleven months and then weekly. Compiled from figures issued by Dominion Bureau of Statistics. See also Stock Market Indicator on page one.

Canadian Car

Announcement over the weekend that the claim of $13,500,000 for the destruction of the Kingsland munitions plant of the agency, Canadian Car and Foundry Co., New York, would be re-opened before the Mixed Claims Commission, resulted in speculative buying of Canadian Car's stock and an advance in the price of both the common and preferred shares. For several years back the war claim of Canadian Car has held out attractive possibilities to holders of Canadian Car's securities. Many overlook the fact that costly investigations and lawyers' fees would absorb a large share of the award if the claim were allowed in full, but even allowing for these expenses, the balance would make a marked difference in the financial position of Canadian Car.

* * *

Dominion Bridge

Financial report of Dominion Bridge Co. will make its appearance some time between Christmas and New Years. The consistent strength in the company's stock marketwise has been taken to indicate that the income account will not be as bad as many have been led to believe in view of the small amount of new construction work undertaken in the past twelve months. Bridge has had two large bridge building jobs and a number of other smaller contracts. While the volume of sales was probably less than a year ago, the company has been able to maintain a strong financial position. Dividends paid undoubtedly exceeded income, but the dipping its reserves has not unduly affected the working capital position.

* * *

Price Bros.

Despite uncertainty over the immediate outlook for Price Bros. and Co., it now appears definitely established that the bonds will be well looked after no matter who gets control of the property. It is an essential consideration of whichever proposal is accepted that the first mortgage bondholders will not suffer. Holders of the preferred and common stocks would appear to stand a fair chance of getting something out of the "pot" by the time the lawyers have tied the last knot and handed the titles to the property over to the new owners. There has been a fairly good bid on the bonds at around 65, while both the preferred and common stocks have shown more activity marketwise.

MONTREAL POWER SALES OF ENERGY REGISTER ADVANCE

Figures for Full Year Will Show Decline from 1932

From Our Own Correspondent

MONTREAL.—Sale of electrical energy by Montreal Light, Heat and Power Consold. for 1933 will be somewhat less in 1933 than was the case in 1932. Until within recent weeks distribution of energy had been on a scale well below that of a year ago, but weekly returns for the past month or two have indicated gains so that the aggregate loss for the full year is expected to be considerably less than was reported at mid-year.

From the beginning of the year up to December 9 Montreal Power's output, less export, had been 854,682,108 kw.h. compared with 906,149,890 in the corresponding period last year. This is a decline of 5.68 per cent, as against a decline of 6.90 per cent in the cumulative total a month ago. In the early part of the year the cumulative output was at one time down 11.42 per cent from last year's mark.

Eighth Consecutive Gain

During the week ended December 9 the company reported an increase of 6.76 per cent in output over the same period in 1932. This was the eighth consecutive weekly increase, during which period gains over a year ago ranged from 1.10 per cent to as much as 12.74 per cent, the best showing of the entire year being that of the week ended November 18, when the latter increase was shown.

There has been no change in the company's operations or income to warrant a revision of the common stock earnings made by John S. Norris, president, a few weeks back when he said that the company would show $1.75 or more per share on the capital stock. This is after making provision for interest on the new debentures and regular write-off of 10 per cent of gross earnings on account of depreciation.

New Manager Appointed

Albert A. Ayer has just been appointed manager of the trading department of Wright, Henderson & Company, Montreal investment brokers. Mr. Ayer has previously been connected with Williams, Partrdige & Angus and latterly as secretary-treasurer of Hart, Smith & Company.

CANADIAN CAR WAR DAMAGES AGAIN TO FORE

Claim for $13,500,000 to Come Up Before Commission

From Our Own Correspondent

MONTREAL.—Canadian Car and Foundry Co. has not given up hope of securing part or all of its claim of $13,500,000 for the alleged destruction by German agents of its Kingsland munitions plant during the war. On two occasions the claim has been before the Mixed Claims Commission at Washington and in each case decision went against the company.

Additional representations have been made and Judge Owen D. Roberts, chairman of the commission, has reopened the case. In doing this Judge Roberts states that allegations have been made that fraudulent, incomplete, collusive evidence was given at former hearings and that suppression of evidence was also practised.

Plant Blown Up

This claim is not being made directly by Canadian Car, but through a subsidiary, Canadian Car and Foundry Co., New York. This enterprise was established during the war to control the Kingsland plant which was engaged in manufacturing munitions. During the war the plant was blown up. It has always been claimed by Canadian Car officials that the explosion was the work of German agents.

In the last 10 years considerable time and money has been spent in securing evidence to substantiate the claims of the company. Hearings have been held before the Mixed Claims Commission at the Hague and in Washington. The decisions have been unfavorable, but at the instigation of the United States Government the Black Tom and Kingsland cases have been pressed.

C. I. A. Annual Meeting Postponed Till January

From Our Own Correspondent

MONTREAL.—Shareholders of Canadian Industrial Alcohol have been informed that the annual general meeting, scheduled to be held on December 19, has been postponed to January 30, 1934, pending the outcome of certain negotiations presently being carried on by the board of directors.

A statement issued by Lord Shaughnessy, president of the company, was to the effect that: "Owing to important negotiations and discussions presently taking place, which have not yet been concluded and which are of material interest to the company and its shareholders, the directors deem it advisable to postpone the annual meeting for one month to permit these negotiations to continue."

Canadian Marconi Shareholders Meet

From Our Own Correspondent

MONTREAL. — Canadian Marconi Co. will present its financial statement for 1932 to shareholders at the annual meeting this week. Owing to the long delay in issuing the report there is little interest in the operating results of last year when 1933 is practically ended.

In 1931 the company reported a profit of $136,078, or less than half of that reported in 1930. After providing for depreciation there was a deficit of $98,651. This brought the profit and loss account surplus from $457,814 to $359,168.

May Restore Council Control Bankrupt B. C. Towns

A plan to allow abolition of commissionerships in bankrupt municipalities, and to place their finances again under control of councils is reported to be under consideration by the British Columbia Government. Legislation to this end may be introduced at the next session of the legislature, it is said.

The tentative plan is understood to provide that municipalities now under supervision of provincial commissioners might have their financial administration again placed under control of councils, but subject to direction by a representative of the new provincial department of municipal affairs.

Orders Show Loans to West Up $1,500,000

From Our Own Correspondent

OTTAWA.—Renewal of federal loans to the Western provinces as they mature and the addition of $1,500,000 to the capital sum involved are the most interesting items in the latest batch of orders-in-council to be made public.

The renewals cover $3,541,809.12 to Saskatchewan and $500,000 to British Columbia. New loans include $500,000 to Saskatchewan on November 24 and $1,000,000 to Alberta on December 1. These new loans are included in the sums reported in The Post last week. It was then announced that Alberta and Saskatchewan had received $1,000,000 each and Manitoba $100,000.

The orders-in-council made public to date account for only $1,500,000, but further orders are expected next week.

FROST STEEL LOSS IS HIGHER CASH IS STRONG

Reserve of $20,000 is Established for Contingencies

Loss on operations is reported for Frost Steel & Wire Co. for the year ended October 31, 1933. Loss is shown at $62,308 after deducting unstated income from investments. In 1932 the company had an operating loss of $30,794 which was reduced by $7,863 due to revenue from investments. Sales are stated to have been materially lower particularly in high-grade qualities of wire and the better grades of industrial and ornamental fencing. Farm fence sales were down a smaller percentage than were sales of commercial wire.

The company has been careful in extending credits and has further cut its costs. A reserve of $20,000 has been set aside against contingencies. Improvement in purchasing power of farmers is expected to aid the company and prospects are slightly brighter for 1934. Income and surplus account for the past two years is as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended October 31

	1933 $	1932 $
Loss on operations	......	30,794
Less: Int. on invests. ..	......	7,863
	62,308	22,931
Add: 1st pfd. divds. ..	......	14,814
Deficit for year	62,308	37,745
Previous surplus	663,791	700,147
Add: Life insur. surr. value adjust. and prof. on stock redeemed ..	......	1,837
Profit on sale of invests.	1,115	......
Less: Adjust. on inc. tax	996	448
Life insur. surrender value adjust.	403	......
Prov. for conting.	20,000	......
	581,199	663,791

While working capital is lower the company shows strong ratio of current assets to current liabilities. Cash is up $104,188 from $87,184 while accounts receivable are down to $174,190 from $197,152 and inventories are down to $181,946 from $228,544. Investments show no change, being carried at cost of $169,601. Surrender value of life insurance is up to $34,027 from $30,395. Accounts payable and accrued charges are up to $32,024 from $26,499. Working capital position is as follows:

Working Capital at Oct. 31

	1933 $	1932 $
Current assets	663,952	712,321
Current liabilities	32,024	26,499
Working capital	631,928	685,822

No additional investment in fixed assets was made during the year and land, buildings, machinery, etc., are carried at $987,570 from which is deducted reserve for depreciation of $482,101, up from $475,202 shown in 1932. Goodwill remains at $836,400 while company's own stock purchased for anticipated sinking fund requirements remains at $10,866. There is $855,000 of $100 par value 7 per cent first preferred stock outstanding; $500,000 of class A preferred of $100 par value and 30,000 shares of no par value common stock.

New Springs, Higher Prices In New 1934 Plymouth

Official announcement has been made by the Plymouth Motor Corp. of Canada that a new type of individual front wheel springing has been introduced in the 1934 Plymouth.

According to J. C. McGuire, general sales manager, prices of the new Plymouth will also be higher in 1934

Public Utility Earnings

Canada Northern Power

November:	1933 $	1932 $
Gross earnings	326,035	302,063
Oper. expenses	100,096	92,750
Net earnings	225,939	209,313
Eleven Months End. Nov. 30:		
Gross earnings	3,351,906	3,158,942
Oper. expenses	1,007,436	982,687
Net earnings	2,344,470	2,176,255

Highland Dairy, Limited

PREFERENCE DIVIDEND NO. 16

Notice is hereby given that a Dividend of $1.75 per share for the three-month period ending December 30th, 1933, being at the rate of 7% per annum, has been declared on the outstanding Preference Shares of the Company, payable on January 2nd, 1934, to shareholders of record on the register at the close of business on the 23rd day of December, 1933.

By order of the Board.

M. MAYNE KENNEDY, Secretary.

Toronto, Ontario, December 20, 1933.

Dominion Bridge Company, Limited

DIVIDEND NOTICE

A Dividend of FIFTY CENTS (50c) per share has been declared on the No Par Value Shares of this Company for the Quarter ending 31st January, 1934, payable on the 15th February, 1934, to Shareholders of record at the close of business on the 31st January, 1934; and a Dividend of FIFTY CENTS (50c) per share for the Quarter ending 30th April, 1934, payable on the 15th May, 1934, to Shareholders of record at the close of business on the 30th April, 1934.

By Order of the Board.

F. W. EVENS, Secretary.

Montreal, Que., 19th December, 1933.

MATTHEWS & COMPANY

announce removal to their new offices —the twenty-first floor of the Star Building, 80 King Street W., Toronto— where they offer to their clients a complete personal investment, bond and brokerage service in the financial markets of Toronto, New York and London, Eng.

TELEPHONE: ELGIN 5191

December 18, 1933.

SAYS BENEFIT INTEREST RATE NOT GENERAL

(Continued from page 1)

due to the fluctuating nature of balances maintained. Interest is only paid on accounts where there is a fairly substantial balance maintained.

Less Than Half Get Interest

The monthly statements of the chartered banks show total of demand deposits and of savings deposits while the annual statements of the banks show interest-bearing and non-interest bearing deposits, among which is included balances due the Dominion and Provincial governments. Comparison of figures in the monthly bank statement with those in the annual reports of the individual banks gives some indication of the volume of demand deposits on which interest is paid.

If it is assumed that interest is paid on government deposits, an assumption that is not entirely correct, analysis of figures of the Imperial Bank as shown in the annual statement as at October 31, 1933, would indicate that interest is paid on some $3,500,000 out of a total of $24,667,497 in current account. Figures for the Bank of Montreal are available for the last fiscal year but are complicated by substantial amounts due to governments and deposits abroad the nature of which is not specified. A rough estimate would seem to indicate that the Bank of Montreal pays interest on approximately 50 per cent of demand deposits, which totalled $142,138,000 at the end of October.

There has been, as yet, no indication as to when another reduction in the rate of interest paid by the banks on savings deposits will be effected, although such action is believed probable.

Sounding Out Opinion

From Our Own Correspondent

Ottawa.—Negotiations with various financial interests have been launched by the Federal government with a view of sounding out opinion on a further cut in interest rates.

The government has in mind a reduction of one half per cent.

The view of the government is that the interest cut of last spring was distinctly helpful in easing interest rates throughout the Dominion and a careful survey is now under way to determine if an additional reduction might not be productive of still greater good. It is believed that the action taken last spring definitely halted the upward swing in mortgage rates and in general commercial rates. In fact the banks at once gave their debtors the full benefit of the cut and, it is believed, would do so again.

LORDS HOLD GOLD CLAUSE MUST BE MET IN BONDS

(Continued from page 1)

obligation in its bonds. Permission for the city to sue the Dominion was not granted, however, because the Dominion's judicial advisers thought the city might win its case and bring a succession of actions, it has been intimated to The Financial Post.

U. S. Decisions

In the United States recent decisions have upheld the validity of the action of the U. S. Government in ruling that gold payments can be satisfied by legal tender notes. For example, Justice Phoenix Ingraham of the Supreme Court of New York, ruled last May that the action of the Government in stating that gold be withdrawn from circulation entitled gold clause debtors to discharge their obligations in legal tender notes. This and similar decisions, since abandonment of gold payments by the American Government this year, are directly the reverse of those of Civil War days.

It was during and after the American Civil War that the last previous period of non-redemption in gold existed in the United States. At that time the Supreme Court of the United States, in Bronson v. Rhodes, ruled that a gold payment clause in a bond was virtually a contract to pay in bullion or the equivalent, and that it must therefore be fulfilled or damages assessed.

Comparison of Rulings

Thus it is evident that Justice Hodgins' decision in Ontario, the Ingraham decision in New York and the Appeal Court decision in Great Britain are essentially the same. And the old Bronson v. Rhodes decision in the United States and the new ruling of the Lords of Appeal in England are similar. The new English decision may alter Canadian and Imperial rulings on gold clause contracts between private parties. But whether an appeal to the Supreme Court of the United States would rule along the same lines as in Civil War times, and as the British Lords have done, remains to be seen. A modern case has yet to be taken to the final American court. And whatever is decided, it is doubtful whether governments will allow themselves to be used for failure to observe the gold clause. The new decision affects primarily gold clause contracts in bonds issued by corporations and individuals.

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TORONTO, DECEMBER 23, 1933

PUBLIC SALARIES AND THOSE WHO PAY THEM

ACCORDING to a despatch from Ottawa, the Government is giving serious consideration to restoring civil service salaries, beginning with the fiscal year that opens April 1 next.

The argument that is used is that the civil servants, through the 10 per cent salary reduction that will then have been in force two years, have "contributed" generously to the national cost of meeting the depression and are entitled to a restoration of their salaries.

Most business people would like to see civil service salaries increased from present levels as soon as possible. In fact, a general increase in all wages and salaries would be welcomed because it would be a reflection of better times.

Employers everywhere, both industrial and governmental are finding it difficult to increase salaries now because few private concerns and fewer governments are out of red ink figures.

There will be some salary increases in private business in 1934 but action along this line cannot be general. Business has not recovered and prices have not increased sufficiently to warrant generally larger salaries in the country. One reason that firms cannot afford to increase salaries is that taxes have gone up rather than down.

Those who have contributed most in keeping the country together in the depression have been the taxpayers who have been paying heavily to keep a good many people in Government jobs that really were not necessary. A good many efficient and ambitious civil servants, particularly in the technical services, are underpaid because there are so many political appointees not carrying a full load.

Government salaries should keep pace up or down with those paid in industry. An important consideration will have to be the ability or inability of the Government to balance its budget, not the so-called ordinary budget but all the expenditures of a current character, including relief and the deficits on the Canadian National Railways.

NO MORE BLOOD LEFT IN THIS STONE

THE Evening Telegram in Toronto calls attention to the fact that at the beginning of December unpaid taxes owed to the city totalled approximately $12,800,000. By the end of the year, the amount of unpaid taxes outstanding will probably be $2,000,000 greater than at the end of 1932. The total has been growing year by year for the past four years.

The simple moral is drawn by the Telegram that the city council has been for a considerable period spending too much money and does not sufficiently realize the taxpayers' financial limitations.

Toronto faces an increase in the tax rate of 1.2 mills next year. Yet the amount of tax arrears indicates that the city is spending more than the taxpayers are able to provide out of their greatly reduced incomes. To impose higher taxation would, as the Telegram points out, constitute a futile demand on the ratepayers to do the impossible.

All over Canada a similar situation prevails. Leaders of government, whether in cities, provinces or in the Dominion, think that the way out of the depression is to spend more money rather than less. They think that it is only necessary to impose higher taxation to increase public revenue. But as tax rates have increased, federal and provincial revenues have declined and cities and towns from coast to coast have piled up tax arrears which cannot be regarded as present income or even as certain future income.

When increased tax rates do not produce increased income, the warning signal is plain. People are being taxed beyond their ability to pay. There is only one remedy; drastic reduction in current expenditures and virtual elimination of capital expenditures until balance is restored between the expenditures of government and the incomes of people.

CRISIS IN WESTERN FINANCE HAS CONSTITUTIONAL ANGLE

A CARTOON in a Western newspaper depicts the disappointment of Manitoba at receiving an advance of $100,000 from the Dominion Government when $1,000,000 apiece has been advanced to Alberta and Saskatchewan. Another Western paper publishes an editorial deploring the suggestion that the Dominion Government should exercise some control over the finances of the Western provinces when it loans Dominion money to them. The proposal is rejected as an unsufferable interference with Western rights.

The Dominion Government cannot continue to loan money indiscriminately to provinces which have overborrowed and lost their credit standing. If the Dominion is to loan money to anybody, be it a government or private institution, it should take steps to see that the money is spent economically and its return is not endangered by lack of proper financial control.

The problem of provincial finance, particularly as relates to the four Western provinces, is rapidly approaching a crisis. Should the supply of Dominion Government funds be withdrawn there would be grave danger of default on these provincial issues. That would raise the problem of whether or not the Dominion Government would have to assume provincial liabilities in much the same manner as England has assumed the liabilities of Newfoundland.

The Dominion cannot impose its will upon the provinces. They are self-governing bodies. It could not take over control of their affairs and reconstitute, say, the Northwestern Territory, except upon the petition of the legislatures of the provinces. Newfoundland's reversion to colonial status is being accomplished by an Imperial act of parliament following a request from the Newfoundland legislative assembly that such action be taken. If a worse financial crisis arises in the affairs of the Western provinces, grave constitutional difficulties will arise and it will probably be much more difficult, politically and economically, to solve than it would be for the Federal Government now to insist that it will not loan its credit except upon such terms as it wishes to dictate. Such terms should include some control over the expenditures, current and capital, of the borrowing provinces.

Western politicians should appreciate that no matter how grave their necessity they have no right to claim at one and the same time that they have a right to share in the Dominion's credit and a right to tell the Dominion that it must keep its hands off their affairs.

As for the citizens and taxpayers of the Western provinces, they should welcome any outside control that would curb the extravagance of their politicians. The ultimate beneficiaries of the change in Newfoundland will be the people of Newfoundland. The Western people should welcome the opportunity of re-establishing their own financial solvency with the cooperation of the Dominion Government.

NOTHING LEFT OUT

THE United Farmers of Ontario have drafted a programme of political action for the immediate future. Under eight main headings no less than 25 different items are included, starting with the statement that U.F.O. stands for the raising of the general price level to that which prevailed in 1926 and 1928 and ending with the statement that the U.F.O. stands for the conscription of wealth in case of war.

The manifesto points out that while it is useful and perhaps essential to have a long time programme couched in general terms, such as was adopted by the C.C.F. at its Regina convention, it is more important at the moment to concentrate attention and effort upon a comparatively simple programme of definite and concrete measures, the realization of which may take the country some steps nearer the objectives of the new party.

If a programme starting with a request for government action to maintain a stable purchasing power for the dollar and that ends with a plan as far-reaching as conscription of wealth and that includes 23 similar reforms in between the two is to be regarded as simple, as "gradualist" in character one wonders what the U.F.O. could produce as a long-term programme if they really set themselves to the task.

But at least the U.F.O. has a programme and it is fairly unequivocal. It takes up a lot of space, when in reality it could easily have been boiled down to one sentence: "We stand for prosperity and more of it."

But who doesn't?

SHOULD RETAIN CANADIAN CONTROL OF CENTRAL BANK

MOST people have been content to accept the Macmillan Report on the basis of its broad general recommendations without examination of some of the subsidiary points that were made. But grave dangers lurk in some of the suggestions that have not received widespread publicity. For instance, there is that clause in the proposed outline of Canada's new central bank which states that the bank should maintain a proportion of 25 per cent in gold "and foreign exchange" against its outstanding note issue and sight liabilities. The Financial Post has already pointed out that such a provision provides a loophole through which Canada could very quickly be put upon the sterling basis and our entire stock of monetary gold concentrated in a central gold reserve in London, England, with possibly serious consequences to our commercial and financial equilibrium.

This danger was sensed by Beaudry Leman, one of the two able Canadian bankers on the commission. Discussing this clause Mr. Leman says:

"This clause makes no provision for the holding by the bank of a minimum amount of gold, or of a minimum percentage of gold against liabilities, nor does it even provide that the foreign exchange held by the bank should be convertible into gold.

"It will be argued that the governors and directors of the central bank would exercise their authority with prudence, skill and discretion, and that, in practice, sufficient gold would be held in reserve, and that a judicious choice would be made of the foreign exchange held by the central bank. The clause appears all the more surprising at a time when no one can have forgotten what befell the sterling, French franc and United States dollar exchange. Shall the currency of Canada be exposed to the uncertainties, which might arise from possible errors of judgment on the part of the central bank? Can we be so sanguine as to hope that those who will guide the central bank and determine its policies will be men of such calibre that they will be at all times above human frailty, and will outclass in ability and foresight the bankers now at the head of the oldest and most powerful central banking institutions in the world?

"Our report acknowledges that the State 'must necessarily retain ultimate sovereignty in matters affecting the currency,' and I find it difficult to reconcile this fundamental consideration with the power proposed to be given to the central bank. Surely the Parliament of Canada would not confer upon any organization, much less one privately owned, the right, implied in this clause, to strip this country bare of every ounce or dollar of gold and ship it abroad, holding in exchange, as the sole backing of the currency of Canada and as the bulk of its cash reserves, a claim on some inconvertible outside or foreign currency.

"The mere suggestion that such a situation might develop would be more than enough to wreck the credit standing of this country and undermine the confidence which long years of faithful and sound banking have brought to Canadian institutions, both public and private."

These are words to be pondered seriously by Parliament. If we are to have a central bank, it should be a Canadian institution managed by Canadians in the best interest of this country and should not be subservient to the influence of even a single Imperial financial authority.

DICTATORSHIP FOR FARMING IN UNITED STATES

THE United States is heading straight for a dictatorship of agriculture, it is argued by Professor James E. Boyle, of the New York State College of Agriculture, in an article in Barron's. One step leads to another and gradually the forces of control are being strengthened. The final step in the evolution of control, according to Professor Boyle, will be dictatorship. He quotes extensively from the radio broadcasts of Secretary of Agriculture Wallace to show that the administration considers the cotton plan, the corn and hog plan, the dairy, tobacco, fruit and wheat programmes to be experimental first steps in the new direction. They represent only the "barest beginning" of all the United States will have to do. Wallace has repeatedly stated that the United States is only at the threshold of the social planning that will be required.

The end, as Professor Boyle sees it, is complete state dictatorship over American agriculture. He feels that the United States is committed to a long long road whose end the American people later may bitterly regret to face.

The United States has determined to curtail production of agricultural products to their domestic needs. This is the significance of the new nationalism in that country. But the American agricultural plant is developed and equipped for a huge export trade. American farmers cannot be left with much freedom to work out their individual destinies if the objective of a self-contained United States agricultural economy is to be achieved. The Government will become more and more the dictator of every action the farmer takes.

History has revealed what happens when Governments attempt to control private business. One may indeed be sceptical of the final results of the new American agricultural dictatorship.

EDITORIAL NOTES

Condemned slayer in Sing Sing refused to undergo an operation for acute appendicitis. Quite right; why take a chance?

* * *

Portugal reports general business recovery. But the news hasn't reached the front pages yet. With so many nations reporting the same thing Portugal will have to take her turn.

* * *

Next year we celebrate the 400th anniversary of the landing of Jacques Cartier in Canada. No doubt when he arrived the Indians welcomed him in a speech that began: "Canada is a young country . . ."

* * *

The young man who, at the age of 33 has been appointed vice-chairman of the finance committee of United States Steel, owes his rapid progress to financial genius, hard work, honesty and the fact that his father was a Morgan partner.

* * *

Recently Danish bacon ran short on the British market and the Danish Bacon Co. had to fill orders by buying English bacon. Apparently the British market will absorb more first quality bacon than there is available. Which is an interesting commentary on "over production" in the world.

* * *

Reference is made to the fact that since the depression began the United States has increased its public debt by 50 per cent; Canada by only 25 per cent. But the United States had been steadily reducing its debt for several years. Canada, counting in C.N.R. obligations, had been steadily increasing its debt.

Post-Scripts

DOWN in Washington, government officials do not seem to understand how it is possible for financial houses and news ticker services in London to know each morning the price the government is paying for gold, several minutes before the governmental offices throughout the States and the American embassy in London have received the news. They have been speaking gloweringly of a "leak." If they would follow such a message through they would get their explanation. When millions of dollars of aggregate profit or loss may depend each day on the announcement it is to be taken for granted that those who share in the profit and loss are going to spend some money on speedy communication.

Here is one way the message reaches London each morning:

A reporter for a Wall Street ticker service rings up his Washington office on a private telephone located immediately adjacent to the room where the message is given out. He does this, say, at 9.44. The line is kept open. At 9.45 the buying rate is announced. In about one second the reporter has repeated it over the telephone to his office. In the meantime, the Washington end of the service has a teletype wire open to New York. The first few words of the message have already been typed out something like this:

"R.F.C. gold price . . ."

Another two or three seconds suffices to flash in the figures. Again in New York the main ticker, serving the whole country, has been held open for the announcement, and it is sent from coast to coast. The entire country has it in something under half a minute.

In New York the local manager of a large London financial house has called his London office on the telephone. His eye is on the ticker. He spots the rate, repeats it. The man in the London office calls it out. His traders hear him and begin to use it at once.

At the same time the reporter for a London news agency has been waiting. He, too, has a telephone wire open to his office. He hears the message repeated by the man who received it over the telephone, gives it to his office, which immediately puts it on the wire where it is simultaneously transcribed in scores of offices.

The whole process takes on the average one minute and 45 seconds.

No wonder Washington thinks there's a "leak" somewhere.

SALES persistency has been developed to the nth degree by the telephone companies. Like other public utilities in these days, they do not spare any effort to "complete" a sale. This applies particularly to long distance calls, the handling of which the telephone companies have developed to a high pitch. The crowning achievement occurred not long ago, when a long distance call was put through to Halifax. "Hold the line," said the operator. There was the usual buzzing and chattering between the Montreal and Halifax operators. Then the operator reported that Mr. Blank was out of town. As it was a hurry-up call, the operator was told to cancel the call. About an hour later, the telephone rang. It was the Montreal operator to say that Mr. Blank was at a fishing camp about 20 miles from Halifax and "Shall I have him call you when he comes in to lunch." The call was completed.

Sayings of the Week

"There is much I do not understand."—*Clarence Darrow.*

* * *

"The motion picture is no field for acting."—*George Arliss.*

* * *

"War is the major catastrophe in human relations."—*Newton D. Baker.*

* * *

"No one likes taxes unless they hit the other fellow."—*Samuel Untermeyer.*

* * *

"The man who regards his work as his play nearly always plays to win."—*Dean Inge.*

* * *

"I have solved all the world's problems time and time again."—*George Bernard Shaw.*

* * *

"What hunger is in relation to food, zest is in relation to life."—*Bertrand Russell.*

* * *

"Our social order needs to be reconstructed on a different basis."—*Franklin D. Roosevelt.*

* * *

"Do not say that great men make the events; say rather that events make them."—*André Maurois.*

* * *

"It takes a clever man to turn cynic and a wise man to be clever enough not to."—*Fannie Hurst.*

* * *

"Quality and service are the only sure foundations on which competition can survive."—*Sir Henri Deterding.*

* * *

"Intelligent lawmaking rests on the knowledge or estimate of what will be obeyed. Law does not enforce itself."—*John D. Rockefeller, Jr.*

* * *

"There are times when a hair shirt is a good thing for an administration. I always welcome honest and constructive criticism."—*President Roosevelt.*

New Books

"Economics in Nutshell" Is Book Without Panacea

Simple Principles of Economics Told in Volume by New York University Professor of Economics

One of the most refreshing books to come to our desk in many a month is "Economics in a Nutshell" by Professor Louis H. Haney of New York University. Every week there descends upon the editorial desks of The Financial Post a deluge of economic literature, much of it of the quack variety. After one has read his 2,000th book, outlining a simple certain cure for depression or presenting a viewpoint on economics that no one else has had the genius to discover before, it is a great relief to find an economic book that does not attempt to do any more than search for the plainer, simpler economic truths and to present them in language that anyone can understand.

Professor Haney wrote most of the chapters of this book as articles to be syndicated among the Hearst newspapers. As he was writing for an audience of nearly 15,000,000 readers, he had to avoid the weightier language that one professional economist uses when talking to another. At the same time, as the head of the department of economics of a great university, he could not make his ideas simple at the expense of making them incomplete or inaccurate. He had to hold to whatever degree of truth or science there is in economics. The result of this happy combination of simple writing and simple truth is a volume that should be read by every citizen.

Professor Haney explains that in this book he has merely condensed the principles of economics as he teaches them to his classes in New York University. His students are indeed fortunate. Too many economists nowadays are busy developing their own pet theories and have gotten very far away from simple principles. Professor Haney's writings tie in with the news of the day and his comments are topical in character. But he has not forgotten that back of it all there is a vast store of economic experience in the world for him to draw upon. He sneers neither at today's views nor at the writings of Adam Smith nor John Stuart Mill.

To the man who has in the past studied the standard textbooks of economics but whose ideas have become somewhat confused under the pressure of the blatant advertisers of new theories, as well as to the man who must confess to an unacademic viewpoint on economics this little volume will prove equally valuable. Certainly Professor Haney has succeeded admirably in writing a book that will give the average man a sufficient understanding of economic principles to enable him to judge the issues of the day without having to accept someone else's economic judgment as beyond question.

"Economics in a Nutshell" is published by the Macmillan Company of Canada, Toronto, at $1.50.

"Canadian Problems"

Addresses delivered at the first Liberal-Conservative Summer School at Newmarket in September last have now been published in permanent form. The title of the volume is "Canadian Problems as seen by Twenty Outstanding Men of Canada" and the title happily describes the material included in this most useful publication.

The Conservative Summer School was more than a political school. Its purpose was to have presented, by those well informed of them, the problems of our financial, economic and democratic system in order that young Conservatives might be conversant with these problems and the solutions offered therefor, by various schools of political thought. Thus, many of these papers present viewpoints that can in no sense be regarded as purely party policies.

Beginning with the opening addresses of the Rt. Hon. R. B. Bennett, "Democracy on Trial," and Hon. George S. Henry, "Public Service," the papers run through a wide range of subjects such as social services, unemployment policies, government ownership, transportation, labor, the railway problem, agricultural problems, public finance, etc. Among the contributors are Prof. H. M. Cassidy, Prof. H. A. Innis, Prof. W. Jackman, J. M. MacDonnell, Prof. Norman Mackenzie, and Prof. George M. Wrong, in addition to those more intimately associated with political life in Canada.

One can hardly imagine a better manner of becoming intimate with the chief problems that face all good Canadian citizens today than a careful study of this book and the somewhat similar volume published by J. M. Dent & Sons under the title of "The Liberal Way" which incorporates the papers delivered at the Liberal Summer School at Port Hope in September.

"Canadian Problems" is published by the Oxford University Press, Toronto, at $2.

Reprint "Cry Havoc"

One of the best bits of news that could be given to the serious-minded Canadian citizen is that "Cry Havoc," that disturbing plea to peace by Beverley Nichols, has gone into a third Canadian edition. Very few books require a special Canadian edition at all, and still fewer ever get beyond the first printing. But "Cry Havoc" has gone into the third printing and it is still selling well. Obviously Canadians are doing some furious thinking on this subject of war.

Beverley Nichols is a clever, young British writer who has entertained the lovers of light literature for a number of years. No one ever expected him to write a serious book that would attract world-wide attention. But that is what he has done in "Cry Havoc." He has laid bare all the horrors and frightfulness of war and he has gone further and shown how wars start, how in fact they are started for purely selfish and mercenary motives. His revelation regarding the indifference of politicians to the true horror of war and the cold and selfish plotting of those who profit from the manufacture of armaments in private plants are so important that every adult citizen should study them soberly.

The book is addressed to the generation that will have to fight the next war—a war which many people believe is imminent. Nichols believes that the hour has struck in the world's history when every man who wishes to serve his country must realize that the type of patriotism which impelled enlistment in previous man-made wars is the worst service he can offer.

The Canadian edition of "Cry Havoc" is published by Doubleday Doran & Gundy, Toronto, at $2.

In the Mail

Back to Barter

Editor, The Financial Post:

Inasmuch as properly balanced foreign trade consists of an exchange or barter of goods or services of one country's nationals for the goods or services belonging to the nationals of another country to a corresponding amount would it not be feasible to have foreign trade handled through 'trade brokerage' bureaus in much the same way that produce brokers or even exchange brokers work at present with the additional operation of a trade in both directions.

As I understand it a produce broker's function is to act as a go-between for buyer and seller and usually has both lined up before a deal is made. If this were done in international trade with the additional complementary operation indicated above then the balance of trade between the two would be obtained automatically. Furthermore the figuring of values could be done in the currencies of the respective countries as there would be little or no necessity for transfer of funds.

It may be said that this is only doing the same thing that foreign operations are doing now through money exchange, and doing it more clumsily. That is true. But, on the other hand, because of the directness and the double operation involved the selling bureau would also be a buying bureau and would see to it that a complete and proper exchange were made. It would be an extension of the idea aimed at in the recent negotiations between Great Britain and Argentine.

There would naturally have to be a clearing house for imports and exports in each country.

If this practice could be made obligatory there would be no over-buying and no over-selling and if all settlements in kind when contracting for futures had to be made within a year or eighteen months no international debts would be piled up to bedevil the world. Each country would have to live within its income wealth, meaning within its producing powers.

A. R. PARKES.

Montreal,
Dec. 15, 1933.

Position of The Pools

Editor, The Financial Post,

At the annual meeting of the Saskatchewan Wheat Pool delegates held a month ago, the following information was given to the delegates and the public in connection with operations for the fiscal year ending July 31, 1933: Net operating earnings for the year, $2,797,387.09. Following commitments met: To Saskatchewan Co-operative Elevator Company Liquidators, final payment, $1,372,277.79; interest, $82,336.67; to Saskatchewan Government, balance of principal re Saskatchewan Co-operative Elevator purchase, $597,590.05; accrued interest, $32,860.47; principal 1929-30 Pool overpayment, $448,086.48; accrued interest to July 31, 1933, $680,502.95.

In addition to meeting these commitments, amounting to the snug little total of $3,213,654.41, the Saskatchewan Wheat Pool purchased from the United Grain Growers and paid in cash for 15 elevators and 4 cottages, $110,000. The Saskatchewan Wheat Pool handled through its country elevators and over the loading platform a total of 91,370,045 bushels of grain, over 43 per cent of all the grain marketed in Saskatchewan.

For the same period the Manitoba Pool Elevators showed a net operating surplus of $300,834, after taking care of all expenses, and the Manitoba government was paid in full, principal and interest, the amount falling due on the 1929 overpayment.

At the annual meeting of the Alberta Wheat Pool on November 28, net operating earnings for the 1932-33 season were announced as the comfortable figure of $997,948.68. A quarter of a million dollars was paid on the Alberta Pool Terminal at Vancouver, and installment due, principal and interest, for the 1929 overpayment, was made to the Alberta government, amounting to $452,950.

In addition, all three pools made full depreciation provisions for all their country and terminal elevators.

Now is it ignorance, or prejudice, or malice, that has inspired both the Winnipeg and the Ottawa correspondents of The Financial Post within the past few weeks to sneer at the largest and most successful grain handling organizations in Canada as "The almost defunct pools?" The pools do not feel that such absurd misrepresentation hurts them, but why do you do it?

W. A. MacLEOD.

As Others See Us

Public Works Not Enough

Quebec Chronicle-Telegraph.—The Financial Post, in an exhaustive study of public works and employment in Canada, while it does not actually condemn a programme of public works as a panacea for unemployment, nevertheless insists that any such programme "falls far short of restoring the normal activities of men ordinarily engaged in producing capital goods."

And The Post adds: "not until these men are again at work at their normal occupations can we hope for anything approaching normal conditions of business." Actually, indeed, "a public works programme, to the extent that it raises costs of construction creates apprehension of increasing tax burdens, or alarms prospective borrowers or prospective lenders of money for capital construction, necessarily defeats its own object."

We are told that the only thing that can be done to stimulate a normal demand for capital goods is a restoration of confidence in the future, although even this, by itself, is not enough. Balanced budgets and currency stability are also essential and can be achieved by governments much more easily.

The Financial Post suggests that the most hopeful field for government encouragement is that of housing, which industry has fallen off to almost negligible proportions. "Reestablish it and the capital goods industry will have made great strides." In this connection, "it is possible that the present method of dividing relief costs between the Dominion and provincial governments and the municipalities is placing so great a burden on real estate as to prevent investment in buildings. . . . . It is possible, too, that various measures of debt relief legislation passed by the provinces are preventing the lending of money and causing the exaction of higher rates of interest."

These are all acute observations from a recognized authority and should be carefully weighed, not merely by governments but also by all of us.

Work to be Done

Hamilton Herald.—The Financial Post has done good service in presenting a study of the employment situation in connection with the Public Works awaiting consideration in Canada. The work to be done, the present building costs, interest rates and public debts, the investors' interests, the role of private enterprise, are the main heads dealt with.

As a preliminary there is a recapitulation of facts already presented. There are 700,000 unemployed in Canada. They will cost $7,500,000 a month this winter, in relief. It is better to give them work than to pay a dole. Government must start trade moving by spending money in the capital goods industries.

Canada has tried public works and been forced to abandon this plan because of the difficulty of financing it. A modest programme is now going forward, however. The construction industry is running in Canada at only 12 per cent of capacity. There is at least $400,000,000 of work in building and engineering to be done, but it has been deferred since January, 1930. All these points are very fully considered, but the conclusion appears to be in the words of Hamlet, "the readiness is all."

Other People's Views

Solving Unemployment

New York Times.—Sometimes there will be a government which is not highly gratified by the way it has been solving the unemployment problem, but as yet no such government has been mentioned in the papers.

No Cure All

Charlottetown Patriot.—There are dozens of central banks in the world, and they have not saved their countries from the fogs of depression. Some are liberal in outlook, some are reactionary so that if we get a central bank in Canada a great deal will depend on what type we get. It would be foolish to look to it to cure all our financial troubles.

For a Rail Merger

Border Cities Star. — Sir Charles Gordon, making his annual address to the shareholders of the Bank of Montreal recently, noted a general improvement in business conditions and also seized the occasion to express the opinion that amalgamation of Canada's two railway systems "would seem to be the course of common sense."

Sir Charles, as a leading banker and industrialist, should command some influence at Ottawa. We suggest, then, that he endeavor to sell his idea on the railway situation to Mr. Bennett and Mr. King so that these two gentlemen may initiate the non-partisan, co-operative effort so clearly in the public interest.

Some One Else's Money

Vancouver Province.—It seems that Premier Pattullo's idea of utilizing the national credit for public works in B. C. really comes to borrowing the money from the Dominion Government for nothing. Is there ever such a thing as borrowing money for nothing?

Newfoundland and the West

L'Action Catholique (Quebec):—"Because Newfoundland was not able to meet its liabilities without assistance, it has had to abandon its status as a Dominion and become a colony under the tutelage, as it were, of the United Kingdom. It may be asked whether the Federal authorities at Ottawa will not have to confront certain Western provinces with some of the realities that the Newfoundland Government had to face. Already heavily indebted to the Dominion Government, these Western provinces seek to increase their borrowings. If this should continue, Ottawa may be compelled to demand that these provinces shall come under Federal administration."

An Old-Fashioned Explanation

Winnipeg Free Press.—It is the considered judgment of the Economist, based upon an elaborate examination of assembled facts and evidences, that "trade is definitely on the mend in many countries of the world," including Great Britain. Giving its opinion as to the reason for this the Economist says:

"It is a remarkable tribute to the strength of the underlying cyclical impulses toward recovery which appear to supervene when a certain point of depression has been reached that, in spite of the erection of every sort of obstacle to trade, and the almost complete failure of statesmen to take any positive remedial measures, the forces of recuperation have nevertheless managed to gain the upper hand. The most powerful of these forces, in this country at any rate, has almost certainly been the gentle rain of cheap money, the classic solvent of depressions, which has once again unobtrusively but effectively watered the barren earth."

It is the opinion, it will be seen, of the Economist that the depression is righting itself by the operation of underlying causes set in motion by the depression, with more hindrance than help from the busy statesmen and planners. This is a terribly old-fashioned view; but there may be something in it just the same.

Cattle Shipments Treble

Cattle shipments for the year to the close of navigation at the Port of Montreal—totalled 50,193 head, as compared with 16,935 head for the corresponding period of last year. This year's exports were therefore almost exactly three times as large as last year's.

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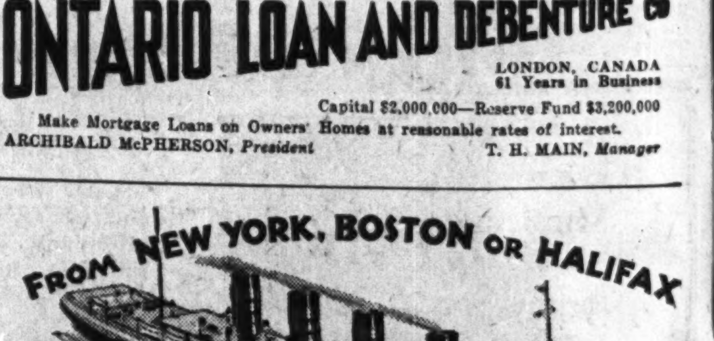

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The Week in Business

Farm Buying Power Viewed

IMPORTANT business news of the week includes the preliminary estimate of agricultural crops in Canada during 1933. These figures prepared by the D. B. S., at Ottawa, give a valuable dollars-and-cents yardstick as to the purchasing power of Canada's 730,000 farms.

Preliminary estimate of field crop values for 1933 (these comprise roughly 50 per cent of total gross agricultural revenue in any one year) is $427,791,000, a drop of 4 per cent from the same figure a year ago and 1 per cent less than the 1931 figure. It is but 42 per cent, however, of the average for the 5-year period, 1916-30.

Of particular interest is the division of values by provinces. Thus, no less than six provinces show increased returns from 1933 field crops. Little Prince Edward Island is far in the lead with an increase over 1932 of 31.5 per cent. Next comes British Columbia with a gain of 13 per cent, while Ontario records the greatest dollars and cents improvement, almost $10,000,000, or 9 per cent more revenue. Manitoba makes a surprisingly good showing with a gain of almost 7 per cent for the year, while in Quebec the increase is a little less than 1 per cent. The figures which are analyzed in some detail elsewhere in this issue are of much interest to those who would keep tab on sales quotas and so forth in 1934.

* * *

Business Barometer Fine

EQUALLY interesting is the strong showing made by business generally in Canada through to the end of November. The Financial Post index of physical business volume has lost practically none of the ground that had been gained since last March and the index in preliminary form now stands within .3 per cent of the year's peak achieved last month. Business volume is thus about 30 per cent above the low point of this year (and of the depression) and about 20 per cent above the level of the same month a year ago. The ability of business in Canada to stand firm after the rapid rise of last summer and in spite of a virtual crop failure in the West, is one of the most encouraging features of the current recovery.

* * *

Mixed Views on Christmas Buying

IN ALL parts of the dominion the week closes with intensive efforts on the part of retailers to put finishing touches on sales of Christmas merchandise. Dun & Bradstreet this week reports confidently that Christmas buying is "attaining the largest proportions in the last three seasons with sales of so-called luxury merchandise, novelties, jewellery, haberdashery and hosiery, double those of last year."

Reports by cities from the Canadian Credit Men's Association show that this estimate is not universal as may be judged from the following excerpts:

Saint John—Slight improvement on account of Christmas trade.

Montreal—Fair seasonal increase in retail trading.

Toronto—Stores all report good Christmas business and the outlook for a better season is decidedly hopeful.

Winnipeg—Christmas trade generally is not up to expectations, although comparing favorably with last year.

Regina — Christmas trade less than previous years.

Saskatoon—Seasonal trade showing usual increase.

Edmonton—Christmas trade as yet disappointing.

Vancouver — Christmas goods moving to some extent, but a little slow.

Carloadings Maintained; Many Groups Make Gain

Car loadings for the week ended December 9 amounted to 39,601 cars, which was a decrease of 2,727 from the previous week's and an increase of 1,597 cars over the total for the corresponding week in 1932. The decrease from the previous week was slightly more than the usual seasonal decrease and the index number declined from 59.73 to 59.25.

In the eastern division all commodities except grain and coal showed increases over last year's loading, the total of 25,637 cars being greater by 2,056. Miscellaneous freight increased by 1,241, pulpwood by 479, other forest products by 395 and ore by 302. In the western division decreases of 845 cars in grain, 522 in coal and 67 in coke more than offset gains in all other commodities and the total of 13,964 was 459 below the 1932 total.

Merchandise loading in both divisions showed increases over loadings for the previous week and also over the corresponding week of last year. The index number rose from 71.57 for the previous week to 73.09.

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List of current offerings furnished on request

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244 St. James Street MONTREAL 330 Bay Street TORONTO

Business Conditions in Canada

MOST INDUSTRIES REPORTING GAINS IN VANCOUVER

Prospects for 1934 Seen as Bright by B. C. Firms

Vancouver finishes 1933 with business improvement marked in the majority of leading industries, according to a detailed survey undertaken by R. H. Arnott, secretary of the Vancouver Board of Trade.

The review, as summarized by The Financial Post, is as follows:

Marine Engines — Prices improved with volume higher than 1932. Number of employees unchanged. Diesel engine makers pleased but machine shops dealing in marine repairs quiet.

Sheet Metal—Smaller shops report business decidedly better than 1932. Needful repairs, change in heating systems responsible. Future outlook good, particularly for replacements with new metals and repair work. Those depending on new construction found things quiet.

Breweries—Volume shows improvement over 1932 but not sufficiently to increase the number of employees

Brick and Tile — Refractory clay tile makers report business of 25 per cent from 1932. Sales in past four months considerably above last quarter of 1932. This is due to need for repairs and replacements. Building brick and tile and drain tile makers report sales 10 per cent ahead of 1932 and employment up accordingly.

Food Products — Volume same as 1932 for older factories. Specialty factories have increased sales by adding new products. Sales in some cases up 40 per cent. Tonnage transacted in year higher with feeling generally much healthier.

Fish Products and Containers — Business improved due to increase in canned salmon pack from 1,081,000 cases to 1,247,500 cases. Prices paid by canners higher than last year but selling prices for manufactured articles was not. No stocks carried over and marketing conditions improved. Expect 1933 pack will be disposed of before beginning of 1934 season. Pack of mild cured salmon up, also quantity of frozen fish processed.

Cordage—Total volume 10 per cent above 1932, noticeable improvement in past 4 months. Binder twine sales particularly encouraging.

Wood-working — Most plants very busy making doors for U. K. Prices permit very small profit and wages scale is low. Regular output low due to lack of construction. Firms specializing in manufacture of household requirements of wood and metal, state sales and employment up 15 per cent.

Contracting—Volume considerably less than 1932 even with residential building and repairs included. Major contracts were new water tunnel at First Narrows and repairing of Second Narrows bridge. Very few projects in sight other than probable federal works in 1934.

Bakery Products — No increase in volume of business or in employees. Profits affected by bread being sold at low price to attract customers.

Meat Packing—Reports vary from slight increase in dollar sales with no increase in employment, to gains as large as 30 per cent in tonnage and 10 per cent increase in employees.

Paper Box Manufacturing — Rigid box makers report no improvement. Folded box makers report sales increase due to addition of new lines.

Paper Products—Sales same as 1933 in converted paper products and paper bag industry.

Shipping Boxes and Containers — Increase production in corrugated boxes of 20 per cent with similar gain in employment. Wooden case makers report slight decrease in volume.

Boots and Shoes—Decided increase, with sales well ahead of 1932. Prices very low till Sept. 1 but increase effective that date has placed operations on more profitable basis.

Petroleum Products — Marked improvement in sales in latter half of 1933 as compared with first half. Several service stations erected and more planned. One refiner materially increased capacity. Sales volume about equal to 1932. Gasoline sales down 7 per cent to October 1 with little change in sales volume on other products.

Dress Manufacturing—Increases as large as 35 per cent reported with increase in operators of 12 per cent, largely due to easing off in extension of credits in men's and women's knitted sportswear manufacturing trade. Fewer swimming suits made due to large carryover. Output of knitted sportswear up 20 per cent, employment up 10 per cent.

Men's Garment Manufacturing — Big improvement in conditions over recent years; production well ahead of 1932. Few additional workers employed but employees enjoyed more continuity and greater number of hours of work. Mining and general improvement given as chief reason.

Lumber — Very material improvement with production in last week of November, 20,000 M. ft. against 6,700 M. ft. at beginning of 1933 and 9,949 M. Ft. in same week last year. Mills now running 68.6 per cent of normal against 29 per cent at first of year and 33 per cent in same week last year.

Commodity Prices

Commodity Prices at Wholesale‡

	Week ending Dec. 16	Previous week	Same week last yr.
Cattle, cwt.§	$5.50	$5.10	$4.50
Copper, lb.	.08¼	.08	.05
Cotton, lb.	.1010	.1020	.0615
Rubber, lb.	.0869	.0875	.0328
Sugar, raw, lb.	.0319	.0330	.0282
Silk, lb.	1.47½	1.47½	1.65
Wheat (Man.) bu.*	.58⅜	.61¼	.40⅛
Hides, lb.	.10	.10½	.05
Coffee, lb.	.08⅛	.08⅛	.08½

Weekly Indices♦

N. Y. Annalist■	102.0	102.2	86.1
Fishers*	72.0	71.7	†62.0
N. Y. Journal of Comm.	71.2	71.6	56.5
Crumps (Brit.)	63.6	63.4	†62.4
Can. (D.B.S.)▲	84.8	85.3	....
U. S. Labor*	70.9	70.7	63.1

†Average, 1932. *Dec. 9.
■Week to Dec. 12. §Dec. 14.
▲Dec. 9. *Dec. 18.

Monthly Indices♦

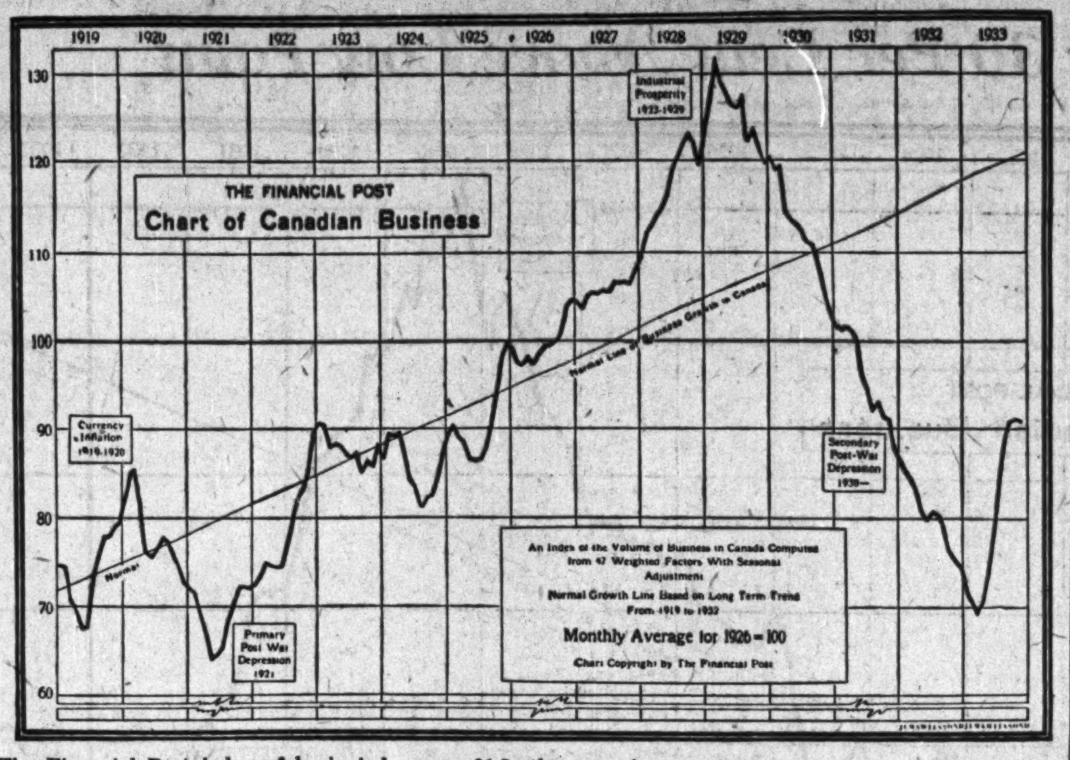
Canada (D.B.S.)	Latest w'sale	Prev. month	Same month last year
W'sale (Nov.)	68.7	67.9	64.7
Retail (Nov.)	78.1	77.9	79.9
U. S. Labor (Oct.)	71.2	70.8	64.4
Gt. Brit.* (Oct.)	69.2	69.6	68.2

♦N. Y. Annalist base, 1913, others 1926 = 100.

*Board of Trade Index, converted from 1913 base.

‡Basis of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price. Toronto: copper—electrolytic, New York; silk—Japanese, 13-15, New York: sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

Business 30 Per Cent Above Low Point



The Financial Post index of business conditions recorded a marked betterment in 1933, the gain from March, the low point of the year, to November being about 30 per cent. The high point of the year was reached in October, when the index was 91.3, the recession according to the preliminary computation during the last month to 91.0 being of a slight nature.

The indicated betterment in business conditions was supported by the improvement in the financial background in Canada, and recovery to a greater or a lesser extent in many of the principal commercial countries. While the depression did not terminate in 1933, the worst phases are at least temporarily a thing of the past.

Resistance to Depression In Year-End Business

Post Business Index Maintained Almost at Autumn Peak — Recessions Are Slight

By SYDNEY B. SMITH

Measured by preliminary data, the level of business operations was practically maintained in November at the level of the preceding month. The Financial Post index of business conditions in its preliminary form was 91.0 in November, compared with 91.3 in the preceding month. Thirty-two factors out of the 47 were available at time of computation and while a majority of the known factors recorded declines, the aggregate recession, after seasonal adjustment and weighting according in relative importance, was very slight indeed.

The year just ending presents several remarkable features regarding the trend of business operations in Canada. The declining phase of the business cycle which had been apparent for more than three years, continued during the first quarter of 1933. Despite the pronounced gain in plant and equipment during the preceding ten years of comparative prosperity, business operations in the early months of 1933 reached a lower level than at any time since 1921.

March Lowest Since 1921

The business index in March last was 69.9, the minimum point since August, 1921, when the standing of the index was 68.6. The industrial expansion during the eight years from 1921 to 1929 was practically offset by the decline in the three following years, the depression culminating in the early months of 1933.

The recovery in 1933 has far surpassed the most sanguine expectations expressed at the beginning of the year. The turning point came in March and from that month until October an unbroken advance was apparent. The resulting gain of 30 per cent in the index reflected one of the most rapid and persistent periods of expansion of which we have any record.

Other Factors Gain Also

The recovery in business operations was by no means an isolated development as other factors of fundamental economic significance moved into more favorable positions.

The low point in commodity prices was reached in February, the index with the average for 1926 equalling 100, being 63.6. The advance was continuous until July, the gain in the interval being about 11 per cent. Recession was shown from August to October, a portion of the drop being offset by the gain of nearly a point in November. The net result of these developments was an increase in the index from 63.6 in February to 68.7 in November, or about 8 per cent.

A somewhat similar course was followed by the index of common stock prices, the percentage increase being much greater. The standing on the 1926 base was 73.7 in November compared with 47.3 in March, the low point of the present year, the gain being no less than 55 per cent.

Employment Slower to React

The seasonally adjusted index of employment was somewhat slower in reflecting economic betterment, the low point of the depression being 78.7 reached on June 1 last. The standing on November 1 was 88.4, a gain of more than 12 per cent in five months.

Measured by indexes published in the Monthly Bulletin of the League of Nations, most of the principal countries have enjoyed a certain measure of revival in industrial operations during 1933. The improvement in the United Kingdom according to the index of The Economist has been fairly continuous for two years. The gain in the United States was rapid from February to July; the subsequent reaction has also been pronounced, but a net gain was recorded for the year.

Better Financial Background

The business recovery in Canada is well supported at least temporarily by an improved financial background as well as by economic betterment extending to a considerable number of the most important countries. Gains have been fairly general among the 47 factors comprising The Financial Post business index. Even construction, which had been at low levels during the greater part of the year, showed a pickup in the award of contracts during the last two months. Measured by subindexes mineral production, manufacturing and the power industry were more active in 1933 than in 1932.

Referring particularly to November, the trend may be reviewed as follows:

Mineral Production indicates recession from the preceding month. Exports of copper in different forms from ore to ingots, rods and bars were 23,948,000 pounds compared with 28,005,600 in October. Nickel exports were 8,581,100 pounds as against 10,113,800. Lead production in the latest month for which statistics are available were 23,243,800 pounds compared with 22,967,000, but the gain was less than normal for the season. The increase in zinc exports was also less than seasonal expectations, the total being 18,263,900 pounds compared with 17,155,500. Shipments of gold from mines to the mint and external markets were 229,319 ounces compared with 226,168, the index after seasonal adjustment being 151.4 compared with 153.2. Shipments of silver were 1,443,000 ounces compared with 1,806,000. Asbestos exports of the better grades after seasonal adjustment showed only slight recession.

Wheat Flour Production in the last month for which statistics are available was 1,650,600 barrels compared with 1,392,700 but production normally shows a much larger gain. Output of oatmeal also failed to reach the increase normal for the season. Rolled oats and corn flour showed gains after seasonal adjustment, the production of the former being 15,676,000 pounds compared with 12,093,000.

Sugar Production in the 4-week period ended in November was 112,533,000 pounds compared with 87,617,000, the index moving up from 107.8 to 121.8.

Live-stock Slaughterings showed decline after seasonal adjustment. Hog slaughterings were 277,318 head compared with 235,255. Cattle and sheep were at a considerably lower level.

Cheese exports were 14,346,400 pounds compared with 14,939,100; the decline being less than normal for the season, the index moved up from 56.6 to 68.4. Canned salmon was exported to the amount of 4,936,100 pounds compared with 6,926,800.

Boot and shoe production was not quite so heavy in the last available month. The output was 1,388,574 pairs compared with 1,729,685.

Newsprint, Lumbering. The factors indicating the trend of the forestry group were higher in November. Output of newsprint was 193,718 tons compared with 191,452, the index moving up from 118.3 to 123.3. Exports of wood pulp at 116,538,700 pounds compared with 112,247,500, showed a moderate gain. Shingles were exported in larger volume after seasonal adjustment, the index being 54.8 compared with 51.6. Exports of boards and planks were 101,882,000 feet compared with 117,404,000.

Iron and Steel. The output of pig iron and imports of iron and steel products showed gains in November, while the production of steel ingots was at a lower level. The gains in the indexes of pig iron and imports of iron products were 17 per cent and 19 per cent, respectively. The motor car industry reported quiet conditions in November.

Construction. The award of contracts was less than in October, a good showing being made relative to other months of the year. The total was $10,637,200 compared with $15,014,300 in October. The decline in carloadings was less than normal for the season. A total of 201,365 cars comparing with 221,604. The index moved up from 62.6 to 62.9.

Trade. External trade made an excellent showing, the gain in imports after seasonal adjustment being 8 per cent. The gain in exports was less than normal for the season, but before adjustment the total was greater than in any month since December, 1930.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1933	1932	Cumulative Jan. 1 to date 1933	1932
Transportation—				
Car loadings (Dec. 9)	39,601	38,004	1,928,286	2,082,297
C. P. R. gross earn. (Dec. 14)	$ 2,303,000	$ 2,320,000	$ 107,230,000	$ 116,697,000
C. N. R. gross earn. (Dec. 14)	$ 2,816,146	$ 2,752,595	$ 137,264,673	$ 148,972,942
	Monthly			
C. P. R. net earn. (Oct.)	$ 4,058,447	$ 3,923,573	$ 14,029,898	$ 14,454,943
C. N. R. net earn. (Oct.)	$ 2,542,586	$ 2,692,726	$ 3,449,958	$ 5,294,555
Iron and Steel—				
Pig iron, tons (Oct.)	27,002	6,731	160,872	102,950
Steel, tons (Oct.)	48,496	17,102	315,325	274,945
Automobile prod. No. (Oct.)	3,682	2,923	60,371	56,473
Auto Vehicles—				
Passenger, sales, No. (Oct.)	1,606	1,312	37,779	36,893
Trucks & buses, sales, No. (October)	496	412	5,271	6,748
Auto. exports, No. (Oct.)	2,952	2,462	17,457	10,404
Construction—				
Building permits (Oct.)	$ 1,762,947	$ 3,056,137	$ 17,888,459	$ 38,082,336
Contracts (November)	$ 10,637,200	$ 10,170,400	$ 89,082,200	$ 132,872,400
Newsprint—				
Production, tons (Nov.)	193,718	161,334	1,833,419	1,774,188
Exports, tons (Nov.)	162,292	153,568	1,652,462	1,689,765
Sugar—				
Imports, raw, lbs. (Oct.)	28,612,100	48,444,800	451,860,000	626,209,300
Melt. & ship., lbs.*	65,532,210	76,543,030	638,110,234	737,944,993
Manufactured, lbs.*	112,533,399	115,873,720	685,908,267	772,487,907
Flour—				
Production, bbls (Oct.)	1,650,557	1,721,598	11,088,837	11,512,521
Wheat flour exp., bbls. (Nov.)	547,602	576,864	4,671,958	4,639,758
Other Industrial Indices—				
Lumbering: Plank & board exports, mill, ft. (Nov.)	102.77	46.37	919.27	636.51
Boots and shoes, pr. (Oct.)	1,383,771	1,599,190	16,905,234	15,539,820
Petroleum, imp., crude gal. (October)	91,713,858	83,448,516	697,661,284	805,328,695
Cotton, imp., raw, lbs. (October)	12,288,000	7,029,000	80,837,192	68,161,000
Rubber, raw, imp. lbs. (Oct.)	5,780,000	2,704,000	34,419,451	41,177,675
Coal, imports, tons (Oct.)	1,210,691	1,331,774	9,153,690	9,271,590
Gasoline sales, gals. (Sept.)	61,620,000	63,441,000	379,947,000	389,889,000
Trade—				
Imports (November)	$ 43,711,559	$ 37,769,047	$ 365,886,758	$ 423,658,045
Exports (November)	$ 60,384,590	$ 45,944,520	$ 460,545,823	$ 451,193,045
Wheat exports, bus. (Nov.)	23,143,958	27,301,976	174,510,898	200,483,756
Labor—				
Employment Index (Oct.)	90.4	86.7	......	......
Electric Power—Output—				
M. Kilowatt hours (Oct.)	1,617,786	1,390,144	14,141,283	12,981,564
Finance—				
Failures, No. (October)	144	199	1,729	1,995
Failures, Liabilities (Oct.)	$ 2,321,926	$ 3,439,220	$ 28,669,258	$ 34,506,706
Bank debits (Oct.)†	$ 2,823,400	$ 2,367,200	$ 24,652,117	$ 21,293,389
Bond sales (Nov.)	$ 6,567,340	$ 1,093,500	$ 482,391,089	$ 374,328,358
Insurance sales (Nov.)	$ 34,185,000	$ 34,003,000	$ 326,555,000	$ 370,440,000
Automobile Financing—				
Used cars (October)	$ 663,722	$ 864,629	$ 9,154,966	$ 11,669,424
New cars (October)	$ 688,736	$ 722,756	$ 9,262,200	$ 11,729,662

*Four weeks period, Oct. 14 to Nov. 4. †(000's omitted).

Newfoundland Completes New Barter Arrangement

Newfoundland has negotiated another barter arrangement whereby 30,000 tons of pit props are to be cut and exchanged for 15,000 tons of Welsh coal. The deal is similar in every respect to that arranged last year and was made with Guerin Llewellyn and Merrit, the same Welsh company.

It is expected that this new barter will considerably help conditions in the north and will also relieve the Newfoundland government of the expenditure of a considerable amount in relief.

Left — Kent Building, Toronto. Built in 1910.
Right — Toronto General Trusts Building. Built in 1909.
Both used "built-up" columns.

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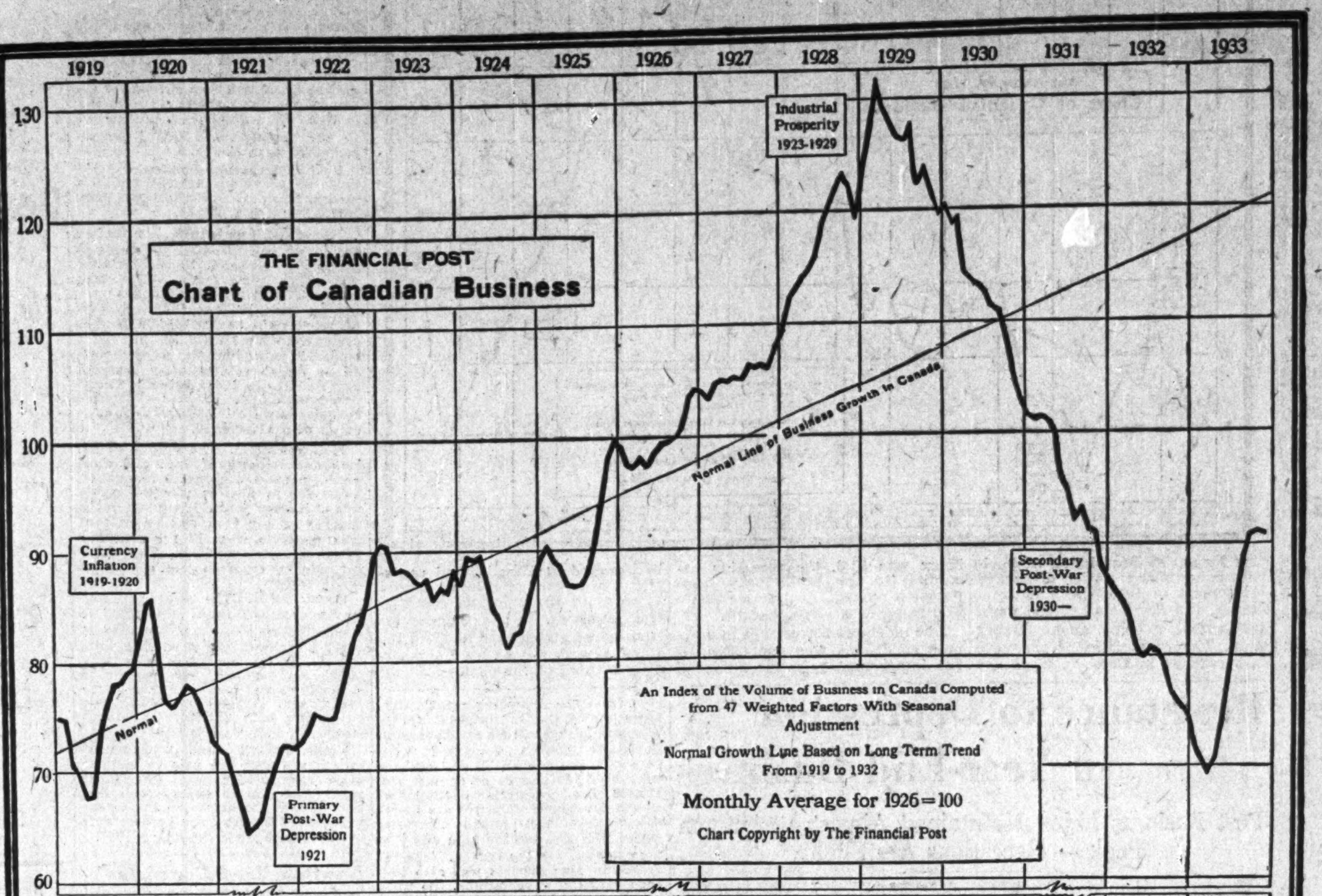

The Financial Post index of business conditions recorded a marked betterment in 1933, the gain from March, the low point of the year, to November being about 30 per cent. The high point of the year was reached in October, when the index was 91.3, the recession according to the preliminary computation during the last month to 91.0 being of a slight nature.

The indicated betterment in business conditions was supported by the improvement in the financial background in Canada, and recovery to a greater or a lesser extent in many of the principal commercial countries. While the depression did not terminate in 1933, the worst phases are at least temporarily a thing of the past.

Are You Getting Your Share of Improving Business?

Many firms in Canada are experiencing better business. This is inevitable. The general volume of business in this country has shown substantial increase since the low point of the year in March. The above chart shows this.

Apparently the back of the depression has been broken. Commitments for expenditure are now being made with more confidence.

And there is great need in industry today for plant rehabilitation; for the installation of new and better equipment to lower production costs to enable companies to compete successfully for this larger business.

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THE FINANCIAL POST

SECOND SECTION

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Branch Plants of Outside Companies are Builders of Canada

We Go Into the Industrial Byways of World to Compel Them to Come but Do We Always Treat Them Fairly When They Are Here?

By KENNETH W. TAYLOR
Associate Professor of Economics,
McMaster University

During the past thirty years Canada has emerged from the status of a vast relatively undeveloped colony to an autonomous dominion ranking seventh or eighth among the industrial countries of the world, with a volume of international trade that places us fifth or sixth among the trading countries of the world. This is an industrial revolution for which few parallels can be found even in the history of a century of unprecedentedly rapid change and progress. This change can be viewed from three angles, political evolution, immigration and capital investment. The story under the first two heads has been told often enough and its main outlines are familiar to all. The great significance of the growth of capital investment is more unfamiliar ground. And yet we live in a capitalistic age where the accumulation of capital is the key to progress. In a modern state increase in population and in the standard of life is dependent upon adequate increases in capital equipment. A sound maxim in relation to the Canadian immigration problem might be "take care of your capital and population will take care of itself."

Our Debt to Capital

Many tributes have been paid to the great debt that Canada owes to the vast army of immigrants. To this humble multitude we owe in large measure our canals and railways, our roads and our sewers, as well as the subjection of millions of acres of inhospitable forest and lonely prairie. But the pioneering story of Canadian industry is no less interesting and scarcely less romantic, and it was made possible largely by imported capital. Just as there has been a tendency to look down upon the immigrant, so there has been at times a tendency to look askance at foreign capital.

The investment of foreign capital in Canada began with the first immigrant from France. A substantial amount of capital was necessary to establish any such colony, usually far more than the sponsors anticipated, and New France was no exception to this rule. Once the colony had taken firm root, however, little additional outside capital was required. The colony grew slowly but surely on its own slowly accumulated surplus. While the details have never been explored, it is probably safe to say that apart from the original investment and the small amounts of capital brought by new immigrants there was no foreign investment in Canada prior to the opening of the nineteenth century.

First Capital Imports

As soon as settlement moved back from easy access to navigable water, and as soon as a considerable volume of trade in bulky articles (e.g. foodstuffs) began to develop, roads and canals had to be made; and the latter, especially, were too large a task for local savings to undertake. By 1850 probably a little over $20,000,000 of foreign indebtedness had been incurred. More than half of this was for canals, the rest included such items as the Hudson Bay Company, the Canada Land's Company, some mercantile capital and a few municipal loans.

After 1850 railways began to be built and foreign capital (chiefly British) was extensively used. Between 1850 to 1867 nearly $100,000,000 was invested in Canadian railways and a further $20,000,000 in mortgages and municipal loans. At Confederation there was about $140,000,000 of foreign capital in Canada of which ten or fifteen millions came from the United States and the rest from Great Britain.

Period of Expansion

Between 1867 and 1900 there were alternating periods of prosperity and depression. In prosperous years capital imports were large, in depression the flow practically ceased. The largest single borrower was the Canadian Pacific Railway. Other railways, canals and public works of all sorts took their share. Altogether nearly $1,000,000,000 came in, and in 1900 the total foreign investment was about $1,100,000,000 of which about $150,000,000 was American and $950,000,000 British.

Up to this point foreign investment in Canada had been very largely confined to railways, financial institutions, and Government and municipal bonds. After 1900 a new movement began—the establishment of branch plants by foreign manufacturers. A few such plants had been established as early as 1880, but the movement did not become appreciable until after 1900, and became really extensive only after the war. In 1919 there were about 200 foreign branch plants in Canada, by 1930 the number was over 1,200, and at the present time the number is probably not far short of 1,500.

At the beginning of 1933 total outside investments in Canada were nearly $6,300,000,000. Of this total nearly $3,000,000,000 was invested in Government and railway securities and about $900,000,000 in financial, real estate and trading institutions. The remainder, about $2,500,000,000 was invested in public utilities and manufacturing industries. Of this $2,500,000,000 about $500,000,000 was British and $2,000,000,000 American. The figures were estimated for The Financial Post Business Year Book 1933.

How were these funds invested? Were they invested in "Canadian" companies or were they invested in branch plants? The figures indicate that of the British industrial investment, about $250,000,000 is in British branch plants and about the same amount in "Canadian" companies. Americans have definitely favored the branch plant, nearly $1,200,000,000 being in this form and $800,000,000 in "Canadian" companies.

The term "branch plant" is an ambiguous one. There are many degrees of affiliation with foreign interests. There are:

(a) The outright branch plant owned and operated by the parent company;

(b) The subsidiary company incorporated in Canada but controlled by the parent company through stock ownership;

(c) The Canadian company whose stock is controlled by individuals living abroad who also control companies engaged in similar lines of business in their own country;

(d) The Canadian company owned by Canadians but tied up to a foreign company by long-term contracts with respect to patents, designs or trademarks;

(e) The assembly plant, often organized and owned by Canadians, but producing equipment (e. g. automobiles, refrigerators or radios) composed of parts, imported or made in Canada, but the whole sold under an internationally known name; and

(f) The Canadian company, absolutely independent, but a majority of its stock owned by residents abroad.

Difficult to Draw Line

It is often difficult to draw a line between Canadian companies and what may be called foreign companies. The C. P. R., for example, is Canadian in every sense of the word, but 60 per cent of its voting stock is owned in England. The International Nickel Co. is often regarded as an American company, its principal office and its principal directors are in New York, but only 43 per cent of its voting stock is owned by Americans. Once the International Nickel Co. of Canada was a subsidiary of an American company of similar name. Today the position is exactly reversed. The Bell Telephone Co. is usually considered a subsidiary or at least a part of the system of the American Telegraph and Telephone Co., yet only a little over 30 per cent of its stock is owned by the parent company. In the official compilations of the Dominion Bureau of Statistics the Bell Telephone and C. P. R. are not regarded as branch plants, but the International Nickel Co. is.

What Companies Come

What are the reasons for this vast migration of industry to Canada? There are both major and minor reasons. Some of the minor reasons are the special inducement offered by provincial and municipal authorities; effective salesmanship by railway, real estate and other interested parties; the desire to conceal profits or escape taxation, etc. The major reasons are three:

(1) The natural advantages of Canada,

(2) The Canadian tariff,

(3) Canada's favorable trade relationships with overseas countries.

Our Natural Advantages

Canada has great natural advantages in many lines of manufacturing. Cheap electric power has brought scores of industries to Canada. The Aluminum Company came to Canada because of the existence of cheap power in enormous quantities at tidewater. Most of the pulp and paper companies are here, not because of the tariff, but because of the trees and the waterfalls. Efficient labor at a somewhat lower cost attracts some American manufacturers. American chain stores have expanded into Canada and Canadian chain stores into the United States because each has found the prosperous market of the other attractive. Cheap power, efficient labor, high standards of living, reasonable taxation, sound education and good Government are all inducements of a high order.

Effect of Tariff

The Canadian tariff has in many instances been specially designed to attract, invite and even compel branch plants to establish themselves in Canada. Many municipalities are active in campaigning for foreign branch plants and in addition to offering cheap land, special tax assessments, etc., frequently undertake to use their influence at Ottawa to secure helpful tariff adjustments. The tariff is also used as a further control to encourage more and more complete manufacture in Canada. At first the duty may be placed only on the complete article, parts and materials coming in free. As time goes on more and more of the parts may become dutiable, until the article is forced to be 70, 80 or even 100 per cent "made in Canada."

Preferential Tariffs

The third major reason for this migration of industries to Canada is to be found in Canada's favorable trade relationships with overseas countries. Of first importance is the scheme of imperial preferences. Canadian goods enter most Empire markets either free or at a rate of duty substantially lower than that applied to competitive foreign goods. But Imperial preferences are by no means all. Canada has commercial treaty relationships with some twenty-five foreign countries. Many of them are simple "most-favored-nation" treaties which give no special concessions to Canadian products that are not also applicable to similar American goods. But in a number of important instances Canadian-made goods do have a material advantage. Some of the important articles which can be exported to many markets on more favorable terms from Canada than from the United States are automobiles, tires, electric apparatus, agricultural implements, rubber footwear, certain chemicals and pharmaceutical products.

In many such cases the size of the Canadian market would not make possible efficient large scale production, but the added export demand is just sufficient to make the establishment of such plants profitable. For example, in the five years 1927-31 Canada exported 300,000 automobiles, or almost exactly one-third of our total production. In 1930 we exported forty per cent of our agricultural implement production, thirty-five per cent of our rubber manufactures and sixteen per cent of our chemicals. This year the Ford Motor Company of Canada exported more cars than it sold in Canada.

Why British Slow?

It is often said that British manufacturers have been very slow to realize the advantages of establishing branches in Canada, and that their lethargy has permitted the United States to acquire an economic and financial ascendancy in Canada which should never have taken place. While it is no doubt true that British manufacturers have been unduly conservative in this matter, and that successful steps have been taken in recent years to encourage British plants in Canada, yet there are good reasons why the British have not followed the branch plant policy on the same scale as the Americans.

One reason is that the Canadian preferential tariff does not penalize British imports as heavily as American.

Another is that Canada can offer almost no advantages over Great Britain as a base for export. A third reason is that it is not easy to supervise a branch plant 3,000 to 5,000 miles away. A British director must take three or six weeks off to look over a Canadian branch. To the American it is rarely more than an overnight journey and he can run up for a day or two several times a month.

Finally the branch plant is most effective in the mass production of standardized goods, a type of production in which Americans excel. The more individualized manufactures in which the British so often excel lend themselves less to absentee management.

Pro's and Con's in Brief

So much for a sketch of the causes of this industrial migration. Can we now strike a balance of advantage and disadvantage from the Canadian standpoint? Canadian opinion has tended to treat immigrant industry much as it has treated immigrant labor. We have spent millions of dollars as well as much thought and ingenuity encouraging both labor and factories to migrate to Canada, we have welcomed and boasted their arrival, but as soon as they settle down to work certain groups in Canada begin to cold shoulder and abuse them. This is hardly fair or sportsmanlike behaviour. If we want branch plants we must treat them and their products fairly. If we do not want them, let us stop going out into the highways and byways and compelling them to come in.

Give us Diversification

Foreign branch plants have played a very important part in our industrial development. In number they are only one-twentieth of our factories, but in capital they represent one-third of our equipment. They have also played a leading part in the diversification of our industries. They have been the leaders in the manufacture of automobiles, electrical equipment, radios, artificial silk, chemicals, aluminum and many other lines. They have given to the Canadian industrial scene a diversity and a degree of completeness that could hardly have been developed if sole reliance had been placed on purely native capital and initiative. Canadians have every reason to be proud of native achievements in many lines of industry, especially in electric power, transportation, lumber, paper, radio, etc. But the great diversity which we now possess is due in considerable measure to the foreign branch plant.

Advertising Canada

Branch plants have also done much through their exports to advertise Canada all over the world, and especially within the Empire. The legend of Canada as "our lady of the snows" or as "the Granary of the Empire" dies slowly. But the "made in Canada" stamp on tires and tennis shoes, on batteries and silk stockings or vacuum cleaners has done more to tell the world of the industrial aspects of our life than all the blue-books or editorials ever written.

Intellectual Benefits

But quite apart from capital borrowed and machinery imported, we owe a great deal to some of the men who have come with this capital. This human factor, this fund of knowledge and experience that we have borrowed, is probably more fundamentally important than all the money and machinery. Again, it is in no sense belittling Canadian genius to pay a passing tribute to a small but select number of Americans who by giving the best of their technical skill have earned an honorable place in the history of Canadian industry—Booth, Eddy, Shaughnessy, Van Horne, Thornton, Stillman, to mention but a few well-known names. We have profited greatly from the experience and skill of several hundreds of engineers and industrial managers. This international trade in ability is an excellent thing, though it must be added that we have had an unfortunately large export balance from Canada.

There is a further advantage to Canada that cannot be overlooked. We are a country of vast distances, scattered population and highly seasonal natural resources. An equipment in railways, terminals and harbors not much less expensive than our existing equipment would be required merely to handle our natural products, wheat, lumber, minerals, etc. Due to severe seasonal climatic changes, the peak load costs of all these necessary items are very high. The development of manufacturing industries does not materially increase the required railway trackage, terminal facilities or harbor developments; but it does greatly reduce the burden of overhead costs that would otherwise have to be borne wholly by our primary producers. Manufacturing, as a substantially year around activity, also materially reduces the relative peak load costs that have to be carried by our transportation system. This is the fundamental economic justification for a policy of encouraging industrial development in Canada. Foreign investments and their branch plants have played an extraordinarily important part in this connection.

Danger of Foreign Control

The very success, however, of our policy of industrialization has given rise to certain fears. Have we sold our birthright to foreign capitalists? "American penetration" and "foreign control" have worried many sincere and thoughtful Canadians. Undoubtedly this great movement is not unattended by disadvantages and dangers.

The dangers of foreign control are undoubtedly very real and ought to be guarded against. But in the case of Canada it should be pointed out that we are not a poor, illiterate, weak country governed by a corrupt officialdom and with no powerful friends. In such a country foreign investment might well become a foreign dictatorship.

Moreover the proportion of foreign to native capital in Canada is becoming smaller and smaller. In 1900 foreign investments were about 45 per cent of the total industrial and funded capital of the country, in 1915 the proportion was 56 per cent, and in 1930 about 35 per cent.

No Evidence of Control

In the third place, there is really no evidence of any such control in foreign interests. In matters of labor policy American-owned plants are no worse and in some cases better than Canadian-owned plants. There is no record of improper political influences being attempted as a result of the key positions held by some foreign concerns. Indeed that section of the Canadian public which is worried over the concentration of economic power in Canada points the finger at St. James Street, not at Wall Street, and the names they mention are almost invariably men of Canadian lineage, Canadian interests and pillars of the British connection.

Not Being Americanized

So too with the fear of "Americanization." The Americanization of Canada is greatly exaggerated. A brilliant English writer has recently remarked that the degree of Americanization observed in Canada depends on whether the Englishman lands first in Canada or comes in via the United States. If he lands in Canada he is struck by the difference as from the Old Country and at once concludes we are Americanized. But if he lands first in New York, and after a few weeks in the United States comes up to Montreal, Ottawa, Toronto or Winnipeg, he immediately feels the difference in atmosphere, manners and ways of living. We do, of course, hold a certain degree of culture in common with the United States. Canada is a North American country, tied to the United States by three thousand miles of frontier, with a large and continuous interchange of population. But this common culture in the degree to which it exists is a product of the motor car, the movie, the radio, the magazine and the syndicated press; fundamentally, of course, the product of geographical neighborhood. It is not the result of the sale of bonds or the ownership of factories. The bonds and the factories are more the result than the cause of our alleged Americanization.

Paying Our Interest

Another kind of worry has been prominent in the past two or three years. Canada, we are told, has to pay tribute to the foreign investor of about $250,000,000 a year—$100,000,000 to British investors and $150,000,000 to American investors. The phrasing is, of course, unfair. There is nothing to be ashamed of in paying interest on borrowed money, and nothing burdensome about it if that money is being profitably employed. Total interest and dividend payments on our foreign indebtedness amounted to about 4½ per cent in 1929 and about 3¾ per cent in 1932. Moreover, branch plant investments are almost exclusively represented by stocks, not bonds, on which a return is paid only when the industry and the country are prospering. Dividends paid to non-residents of Canada are about $50,000,000 a year less than three years ago, while bond interest payable has increased.

Not Merely Assemblers

Another slur on the branch plant that is heard in Canada, but even more frequently abroad, is that they are mere assembly plants. There are quite a large number of assembly plants in Canada, and many of the most successful branch plants in Canada started modestly as assembly plants. The Canadian Kodak Company may be cited as typical of many cases. Starting thirty-five years ago as a mere selling agency operating in rented premises, it developed within a few years a small manufacturing and assembling division. Ten years later it had a substantial factory, and today it has one of the largest, most complete and highly integrated manufacturing establishments in Canada.

Tariff Requirements

Plants that locate in Canada to take advantage of the export trade which Imperial preferences and commercial treaties provide, must manufacture and not merely assemble their products, because no goods exported from Canada can qualify for these preferences unless they embody at least a certain percentage of Canadian labor and material. The usual percentage is 50 per cent, but Australia requires 75 per cent in practically all commodities, and Great Britain and New Zealand require 75 per cent in a considerable range of articles. The Canadian tariff policy has also ben quite effective in gradually forcing a higher degree of manufacturing. The automobile industry, for example, was originally an assembling industry, but in 1930 the value at the factory of the cars produced was $102,000,000 while total imports of all parts and accessories (including those imported for repairs and replacements) was $23,000,000. In that sense the average Canadian car is 80 per cent made in Canada. Similar statistics could be quoted for many other industries.

How British Lose

American branch plants in Canada tend to develop Canadian-American trade, and indirectly tend to limit the growth of intra-Empire trade. This is a normal result of foreign investment. The steel rails, locomotives and freight cars used in the Argentine railways come from English mills, because English engineers, skill and capital built those railways. The British have been slow to develop branch factories in Canada, and even though there may be good reason for this, the fact remains that they have lost a considerable share of the Canadian market by failing to adopt the best methods of holding it.

To Build up Industry

Some Canadian manufacturers rather resent the intrusion of branch plants into the Canadian market. But the Canadian tariff was not designed to make profits safe for the Canadian manufacturer. Its policy is to develop industry in Canada. There may be just grounds for a tariff to protect Canadian plants in competition with plants producing in a foreign country under very different cost conditions. But when two plants exist side by side in the same town under the same cost conditions, surely an appeal to so-called patriotism is ill-judged.

Commercial indolence, like political chicanery, too often shields itself behind the flag. The argument that we should buy only from firms wholly owned by Canadians in order to "keep our money at home" is a hoary fallacy. Facts, however, are always enlightening. The average yield in all foreign investments in Canada were 4.46 per cent in 1929, 4.45 per cent in 1930 and 3.89 per cent in 1931. British investors get a better yield than Americans. In 1931 the yield on British investments in Canada was 4.2 per cent, while that in American was 3.7 per cent. These figures do not support any charge of "exploitation."

Our Minority Interests

Another fact is that Canadians own substantial minority interests in these branch plants. The Canadian shareholdings in all the branch plants officially listed in 1930 amounted to $304,000,000 or seventeen per cent of the total investment. Many "branch plants" have been acquired or extended, not by building a new factory and thus cutting into an already limited market, but by making connections with existing plants in similar or related lines. This relationship often finds legal expression in an exchange of shares. The Canadian owners turn over their stock in exchange for a generous allotment of stock in the American company, together with representation on the directorate of the parent company. The Canadian management usually remains unchanged. Thus the new American investment in Canada is exactly balanced by a new Canadian investment in the United States. For example General Motors of Canada is 100 per cent owned by General Motors of the United States. But Canadians own $20,000,000 of the American General Motors stock.

Employ Canadians

It is also alleged against these branch plants that they give all the best positions to Americans. Naturally in the early stages of the development of a branch a manager and a few technical men may be sent up by the parent company. These, if they stay, almost invariably settle down, become naturalized and completely assimilated, and are perhaps the best of all immigrant types. Moreover, our immigration laws prohibit the entry of any aliens under contract of employment except those which can be shown to be indispensable to the new venture, and permits in such cases are limited as to time. Many statistics could be quoted in this connection. The Borden Co. with an investment of $20,000,000 and employing 3,100 persons, has only six employees who are not Canadian citizens and these men do not occupy the highest paid positions. In the electrical industry a few highly trained specialists have been brought in from time to time in connection with the development of new processes.

Fewer Americans Here

The number of American citizens resident in Canada was 2.10 per cent of the total population in 1911, 1.55 per cent in 1921, and 0.92 per cent in 1931. The total number was 151,000 in 1911 and 95,000 in 1931, and a very large proportion of these were farmers in the West. Thus the period of most rapid expansion of the branch plant movement has been a tremendous fall in the number of Americans in Canada.

Tend to Become Canadian

Finally it should be noted that branch plants do not always remain branch plants. There are scores of factories in Canada, now fully Canadian owned and controlled, that were once foreign branch plants. Such plants when they became profitably established soon attract the attention of Canadian investors who eventually purchase control. This trend toward repatriation of securities and control is quite marked in periods of domestic prosperity.

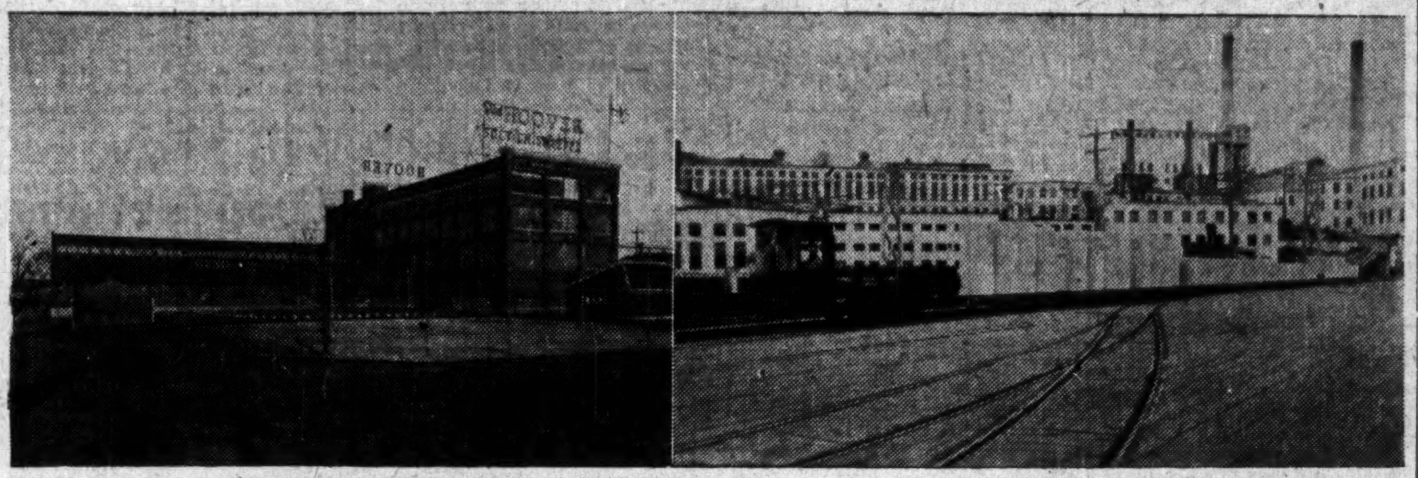
Canadian industrial progress has not ceased. The years immediately before us will see a renewed advance. We are still anxious to attract foreign branch plants, especially British plants. But if we want more capital and more branch plants we must be strictly fair to those that are already here. The type of advertising which appeals for patronage on the ground that "this company is 100 per cent owned in Canada" is unworthy of efficient Canadian business and injurious to the general interest. If we want foreign capital, and it is certain that we can still use it advantageously though to a diminishing extent, we must treat it fairly.

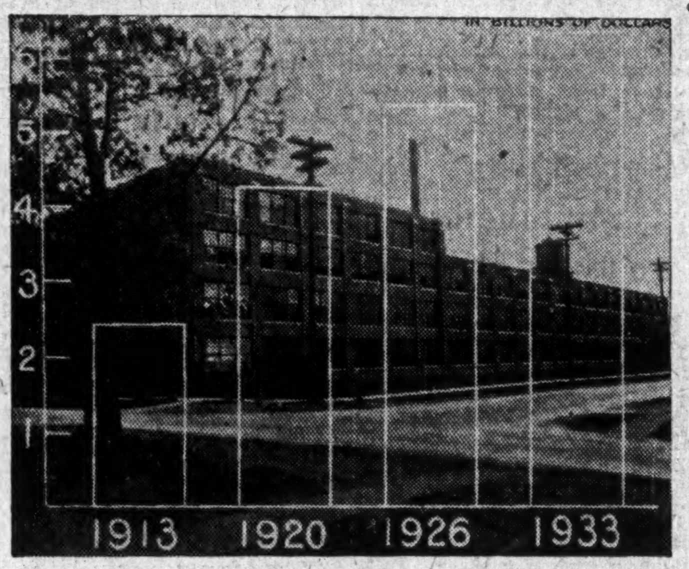
Our Own Foreign Investments

We ought also to be fair and decent in our treatment of foreign capital because we have very considerable investments in foreign countries. At the beginning of 1933 our investments abroad totalled over $1,800,000,000, over $365,000,000 is in direct industrial investments, according to The Financial Post Business Year Book. Sixty or seventy Canadian firms now have branch plants in the United States and elsewhere. Canadian insurance companies do a greater volume of business abroad than in Canada. Canadan capital is directly interested in electricity in Latin America and in Europe; in oil lands in the United States and South America; in mining in West Africa. We have almost everything to lose and almost nothing to gain by a continuation of the present world wide trends of economic nationalism to self-sufficiency.

We are not a Great Power, but we have an influence in world affairs much greater than our population would imply. Our weight in international affairs should always be thrown unreservedly on the side of international goodwill and good sense.

And in the meantime let us not fail to practise at home what we should preach abroad.





Three typical Canadian plants representing investment of American money. UPPER LEFT, the Hoover suction sweeper plant at Hamilton; UPPER RIGHT, newsprint mill of the Powell River Company in British Columbia; BELOW, one of two Chrysler automobile plants at Walkerville. Superimposed is a chart showing growth of outside investments in Canada.

The Tide of Things

A Department of Independent Comment on Society and Politics

By WILLIAM HENRY MOORE

Umbrellas for Marginal Producers

THE other day I sought to illustrate the workings of controlled industry with a picture of thin, fat, tall, short producers locking arms and running to our service. The slowest man would set the pace. The service would be that of the least competent. The price would mount to a point that would yield profits to the producer having the highest cost.

Most industries that go in for "production" control have some out-of-date machinery. It is the product of that sort of machine that will measure our satisfaction. Very often it is the existence of that sort of machinery that leads to an agreement of producers to soften, or kill off competition.

Then someone told me I had acquired an obsession. It was predicted that some day I would be found asserting the collapse of the Capitalistic system, because producers had sought "self government" in an effort to ward off ruinous competition. And I pleaded guilty to the charge.

* * *

THEN came Frisby. While I was drawing pictures, Frisby was converting my illustration into pounds, shilling and pence which everyone can understand. Mr. Frisby is managing director of the Pahang Consolidated. The Pahang produces tin oxide.

Canadians do not produce tin, but they use it extensively in the containers that pack their fish, fruits, vegetables and meats. They use it for pails, milk cans, etc., and always in combination with other metals. The amount of tin in one "tin can" is probably very small but the aggregate used in Canada is large.

* * *

THE farmers compete with one another in the back-breaking business of growing stuff and the corporations who produce the tin that goes into the containers in which the stuff is packed refuse definitely to compete. They huddle in international agreements to "allot" production. And the tin-producing states not only approve of their arrangements but have made them compulsory.

The tin producers have done that sort of thing for years but just now are working under an agreement made effective March 1, 1931. It is unnecessary to go into the details of the agreement, it is of the "quota type" and in broad outline our wheat agreement was patterned after it. Keep a slice of bread and a can of sardines before you if you would know the economics of "restricted production."

William P. Rawles defends the "tin quota" in the latest issue of the Political Science Quarterly and we may take his language as typical of the defense of all agreements of the sort. He speaks of the "quota" as necessary to correct "ruinous over-production," and adds that "the soundness of the scheme has been proved by tremendous betterment of the industry's position."

SOMEONE may now be about ready to tell me that I am blowing a tin whistle just to make a noise. Not so. After months and months of serious thought I assert that right here in the matter of these arrangements between producers, backed as they often are by state action we have an issue that is bringing about an "economic revolution," as serious and as disastrous as anything proposed by Moscow. We are on the eve of an era in which two sets of men will seek to destroy economic freedom and both of them will unite in asserting that they are seeking to destroy "cut-throat competition." Speaking of the tin agreement Mr. Rawles suggests the desirability of similar arrangements for other minerals.

And then came Mr. Frisby. He was acting as chairman of the 27th annual meeting of the Pahang Corporation at London, Eng., and dealing with the "quota" restriction and the contention of its advocates that no tin mine could be made to pay unless the price of tin was held around £200. Mr. Frisby said the Pahang could make "a profit of £100,000 with tin at £100 and not £230 as it is now."

* * *

ONLY the very casual observer of these matters will be puzzled at this assertion. As you reduce production you generally increase the unit cost of production The efficient producers lost by the tin restriction, the laggards gained. And in the matter in hand the users of tin paid twice what they should have paid and passed it on. But Mr. Frisby went further.

"There is no doubt," he continued, "that most of the great alluvial companies in the Malay States, in the Dutch East Indies, in Siam and in the East generally, can now produce so cheaply—even cheaper than we can do under the conditions I am speaking about—that they can supply the whole world with all the tin it wants at £100 and make a good profit."

Mr. Frisby hit the nail on the head. And then he drove it home when he told the shareholders of his company that: "it was a pitiful thing that the Pahang should be ground down to enable the dear producers of the world to make profits which otherwise they would be unable to make."

* * *

AND it is a pitiful thing not alone for the Pahang Corporation, but for all who suffer under this modern form of Syndicalism. Out of the several causes of our depression none of them contributed more directly than the pools which agreed upon quotas and effected mergers and did about everything you can think of to destroy competition. The Malay States and Siam are far away but perhaps in our perspective of their action we can see things more clearly at home.

COMING SESSION WILL SEE N R. A. TRIED IN B. C.

New Minister of Labor Has Industrial Control Plan

British Columbia may be the first province in Canada to take preliminary steps toward an industrial recovery control board similar to that now being tried out in the United States, if plans of Hon. G. S. Pearson, new minister of labor in the British Columbia government, mature.

Mr. Pearson plans to introduce legislation in the province for creation of an industrial relations board or economic council. Such a plan has been proposed by him for the last three years. An attempt will be made to base the new scheme on practical lines and apply it particularly to the needs of industry in the province.

Legislation Assured

It has not yet been decided how council will be chosen, but what has been decided, however, is that the government will make the effort at the coming season, when the legislative machinery for the operation of the council will be provided.

According to Mr. Pearson the aims of such a council should be a study of existing industries in the province to see how available work can be spread among the workers available; to what extent industry can afford a higher standard of wages; to raise the general standard of living, and also to examine the field for outside extension of markets, in view of the province's high percentage of exportable goods.

Mr. Pearson believes the same principles could be applied in the national field with benefit to Canadian industries as a whole.

Export Refined Sugar

Exports of refined sugar from Canada continued in October to show a substantial gain over the corresponding month last year. They totalled 2,404,900 pounds against 903,200 pounds a year ago. For the ten months ended October refined sugar exports from Canada have totalled 14,309,800 pounds valued at $668,866, compared with 8,145,000 pounds valued at $386,522 in 1932.

Wheat

From Our Grain Correspondent

Buyers Still Wary

DULLNESS has been the characteristic of the wheat market during the past week, with price fluctuations confined within narrow limits. Export business is perhaps a little less spasmodic than in previous weeks, with a certain amount being done practically every day, and volume at no time reaching large proportions. World shipments were nearly a million bushels larger than the previous week, at just under nine million bushels while quantities afloat continued to diminish, the latter supplies are down to a low point that is a record for many years, under 21,000,000 bushels, or only about 60 per cent of the quantity in that position a year ago.

Oversea advices indicate a belief that the statistical position of wheat is improving, but buyers apparently are not to be moved to make forward commitments until supplies on hand are used up.

* * *

Crop Prospects

WEATHER conditions in Europe, with new crop winter wheat exposed to very low temperatures with inadequate snow covering, added to the fact that full seeding programmes in several countries could not be completed are leading to an expectation of a European crop next year decidedly smaller than the record crop harvested this past year. Poor prospects for the United States winter wheat crop continue to attract attention, and it is claimed that recent precipitation of rain and snow will hardly overcome damage from drought previously done.

An official Government estimate of 160,000,000 bushels of wheat for Australia has been made, 50,000,000 bushels less than the crop of last year, although private observers suggest that the actual outcome may be ten to twenty million bushels less than the Government now estimates.

* * *

Argentine News Bearish

THE principal bearish factor at present is the fact that the Argentine crop seems likely to be considerably better than was in prospect up to a month ago, with a possible yield greater than that of last year. The trade, both in Canada and on the continent is still puzzled as to the probable result of the recently announced Argentine wheat policy. It now appears that this is based not on the problem of marketing wheat, but rather on the newly-formed Government policy of the peso to depreciate instead of attempting to keep it pegged. The apparent intention is to encourage depreciation to a point where the price of wheat in pesos will remain fairly constant at approximately present levels.

Although details of the policy as announced suggest the subsidizing of exports the Government has made it clear that no loss to the treasury on account of wheat is contemplated.

* * *

New Light on Agreement

PRIVATE advices state that contrary to expectation no uneasiness is felt in the Argentine as to possible restrictions of the country's wheat exports because of the quota under the London wheat agreement. There is said to be a general understanding there that the quota allotted to Argentina does not include the 40,000,000 bushels annually sold to Brazil or such quantities as may be sold to China. That is contrary to the general understanding in Canada where the allotted quotas are understood to cover shipments to all countries and not merely to Europe.

No Wheat Re-Routed Via U. S. in November

During November 23,143,958 bushels of wheat were exported from Canada compared with 27,301,976 in the same month of 1932. During the month only 124 bushels were exported to the United States for consumption while 8,599,183 moved via United States Lake ports of Buffalo and Erie. The exports amounted to 10,901,237 bushels from Canadian Atlantic ports; and 3,643,414 moved from Canadian Pacific ports. There was no re-routed wheat during November.

During November 783 barrels of wheatflour were exported to the United States direct for consumption, 32,385 barrels moved via United States ports for export overseas and 404,428 barrels were exported via Canadian Atlantic ports while 110,006 barrels were exported from the Canadian Pacific ports. The total export for the month amounted to 547,602 barrels compared with 576,864 barrels for the same month a year ago.

Exports of wheat and wheatflour combined for November were 25,608,167 bushels compared with 29,897,864 for the same month in 1932. Of the former amount 3,648 bushels went to the United States direct, 8,744,915 bushels were exported to United States for export overseas; 12,721,163 bushels were moved direct from Canadian Atlantic ports and 4,138,441 bushels were shipped overseas from Canadian Pacific ports.

Argentine Wheat Crop Said to be Huge

The first official forecast of the 1933-34 wheat crop revealed that it may be the highest since 1928-29, and exceeded only twice in the last decade.

The wheat crop estimate totals 256,000,000 bushels, as compared with 235,000,000 bushels for the 1932-33 crop.

The flax production estimate was given as 52,600,000 bushels, a decrease of more than 4,500,000 bushels from last year's crop.

Oat production was estimated at 58,000,000 bushels as compared with 69,900,000 last year. Barley was estimated at 34,400,000 bushels, as compared with 32,000,000 last year.

Saskatchewan Pool Elects New Officers

Executive officers of the Saskatchewan Wheat Pool were re-elected for 1934 at the first meeting of the recently elected board of directors.

The officers are L. C. Brouilette, president; J. H. Wesson, vice-president; executive members, Brooks Catton, Hanley; A. F. Sproule, La Fleche, and Leonard Widdup, Kipling.

Delegates to the central board will be the same as in the present year, Mr. Brouilette, Mr. Wesson and Mr. Catton.

Grain and Milling in Canada

STUDIES FIND LIVERPOOL MART NOT BEARISH

Most Wheat Price Swings Start in America, Says Report

'PEG MOST VOLATILE

Stanford University Survey Makes Detailed Study of Prices on Leading Grain Exchanges

That Chicago and Winnipeg grain exchanges "originate" approximately two-thirds of all price movements in wheat futures, is one of the major conclusions arrived at in an exhaustive systematic investigation of the major wheat markets of the world, contained in the November study of the Food Research Institute of Stanford University.

The study is a detailed investigation of the question of prices and price leadership, covering a seven year period 1924 to 1931. The results call for revision of many opinions now widely held concerning the traditional influence of Liverpool, Winnipeg, and Chicago, in the world grain situation.

Liverpool More Stable

Two conclusions of the analysis are that Liverpool tends to be a less volatile market in the major movements than Chicago and Winnipeg and that of the 54 major movement initiated between 1924-31, no less than 32 originated in Chicago and Winnipeg; 17 in the three markets and only five in the Liverpool market. In only a few markets was Liverpool found to be a dominant leader. Another analysis shows how the various markets reacted in summer and in winter months. Thus it is found that Chicago and Winnipeg tend to be more active and influential in summer than in winter months, while Liverpool tends to be a somewhat more active and influential leader in winter than in summer.

Liverpool Not "Bearish"

The survey makes an important observation on the basis of data examined namely, that there "could be found no evidence of a fundamental bearish tendency in Liverpool or of a fundamental bullish tendency in Chicago and Winnipeg such as is occasionally supposed to exist." Also from the survey the Institute concludes that when prices in North American markets are above export parity, their movement remains closely related to price movement in other markets. The maintenance of prices at such heights, according to the study, seems to have no significant effect upon the price interaction between markets or on the correspondence of Liverpool and North American price changes over brief intervals.

Winnipeg Most Volatile

An interesting commentary in respect of the "volatility" of the several markets was that in terms of major movements, Winnipeg prices tended to move over a wider range than Chicago prices and Chicago prices over a wider range than Liverpool. Major advances in Winnipeg, were found on the average to be 36 per cent larger than in Liverpool and major declines 27 per cent larger. In Chicago, major advances averaged 24 per cent larger than in Liverpool and major decline 22 per cent larger. These figures indicate the notable differences in "volatility" of the three markets. Some of the major recommendations which are of particular interest to Canada are quoted herewith:

"No evidence was found to support the view, occasionally expressed, that Liverpool is a bearish market which originates declines and that North American markets are bullish markets which originate advances. Liverpool originated daily advances and major advances fully as readily as it originated declines. Chicago and Winnipeg were as active in initiating daily and major declines as advances. No significant difference in their proportionate leadership of advances and declines could be discovered in terms of either the number of movements or the amount of movement.

"In the light of this evidence one must conclude that there is no bullish tendency in North America or bearish tendency in Liverpool of the sort mentioned. These markets are all basically sensitive; they all lead more or less; and they do not hesitate to lead in either direction.

No Market Dominates

"The general roles of these markets in price-making may be clarified somewhat by a statement of certain more general conclusions which the results of this investigation support. At the outset, it is clear that prices in none of the three markets are sufficiently dependent on prices in any other to warrant the statement that either of them fixes, determines, or completely leads prices in the others. Liverpool prices do not provide a basis from which Chicago and Winnipeg prices are determined any more than the later markets provide such a basis. Nor does Liverpool initiate the majority of price movements for the rest of the world.

"Instead, there is a broad flexible price interdependence and price interaction among the markets, and more or less leading and following by each market. In this interaction Liverpool exercises a sort of arbitrating function, but in so doing it merely exerts an important restrictive price influence on the other markets in much the same way that they exert restrictive price influences on it.

Two Important Differences

"The most important difference in the behavior of these markets is in their volatility and leadership. The limited voltaility of Liverpool shows it to be a more stable and less sensitive market than Chicago or Winnipeg, even though it appears to be no less prompt in reacting to price influences. The fact that Chicago and Winnipeg are the dominant leaders signifies that in general they play a more active role in price-making than Liverpool. To a large extent they tend to set the pace and to dominate or direct the general course of prices in Liverpool, but the domination is not complete.

"While Liverpool is primarily a passive or following market, it assumes from time to time an unusually active role and effectively directs the general course of prices in North America. The channel of price influences for most movements is primarily through Chicago and Winnipeg to Liverpool, rather than through Liverpool to these export markets, but occasionally the channel of influence is reversed.

"It should be emphasized that in this analysis of leadership no specific allowance has been made for movements initiated in Buenos Aires or in other less important markets. Some of the leadership here ascribed to either the North American markets or Liverpool may in fact be traceable ultimately to other markets of the world and especially to Buenos Aires."

The study is supported by considerable amount of mathematical and statistical information with charts and appendices. These are prepared by Food Research Institute, Stanford University, California. Price $1.

'33 Wheat Grades Slightly Below '32

During November 15,200 cars of wheat were inspected in the western division, of which 66.89 per cent graded in the first four grades. For the same month in 1932, 19,108 cars were 87.59 per cent graded No. 3 Northern or better.

Western gradings for the four months indicate that the quality of the 1933 wheat crop is a little below that of a year ago due largely to wet weather during the harvest.

For the four-month period 78,337 cars passed inspection, 64,599 cars or 86.15 per cent graded in the first four grades. During the same period in 1932, 116,119 cars were inspected, 105,007 cars or 94.87 per cent graded in the top four grades. Tough and damp wheat inspections amounted to 6,878 cars in 1933 against 2,290 cars in 1932.

World Wheat Trade Shows Falling Off

World shipments of wheat and flour for the week ending December 11 amounted to 7,936,000 bushels as compared with shipments of 11,716,000 for the previous week and 10,272,000 a year ago. Shipments from all countries were characterized by sharp decreases. North American clearances dropped by more than two million bushels, the Argentine by eight hundred thousand and Australian and Russian shipments by about half a million.

During the first 19 weeks of the present crop year world shipments amounted to 191 million bushels, compared with 212 million for the corresponding weeks last year. North American shipments have amounted to 90 million compared with 138 million. Since August 1 the Argentine has cleared 35 million bushels compared with 15 million. Australian shipments are slightly lower than last year.

The London Wheat Conference estimated world import requirements for 1933-34 at 560 million bushels. From August 1 to December 11 world shipments amounted to 191 million, or an average of 10 million per week. This leaves a balance of 369 million to be shipped during the remaining 33 weeks of the crop year, or a weekly average of 11 million.

Three Prairie Pools Handle 153,577,000 bu.

From Our Own Correspondent

REGINA.—In the 1932-33 crop year the prairie wheat pools handled 153,577,239 bushels of all grains of which approximately 90 per cent was wheat. The Manitoba pool handled 13,816,534 bushels, Saskatchewan 91,370,065 and Alberta 48,390,666 bushels.

Combined operating earnings were $3,969,731 and combined net earnings $1,200,261. Divided between the three pools the combined earnings were distributed as follows: Manitoba $340,787, Saskatchewan, $2,629,996 and Alberta $997,948. Net earnings were divided as follows: Manitoba $207,177, Saskatchewan, $814,030 and Alberta $179,054.

Between them the three pools operated 1,659 elevators. Manitoba has 153, Saskatchewan 1,067 and Alberta 439.

The annual report of the Alberta pool states that owing to keen competition at country elevators its bushelage was not as high as it might have been. During the last half of the year the prices based on Vancouver quotations adversely affected total earnings.

Rule Saskatchewan Co-op. Must Pay Income Tax

From Our Own Correspondent

REGINA, Sask.—A King's bench court ruling states the liquidator of the Saskatchewan Co-operative Elevator Co., Ltd., is taxable on interest payments received since the provincial income tax law came into effect on Jan. 1, 1931.

This means the elevator system liquidator must provide from $10,000 to $12,000 to cover the tax payment demanded. That sum is arrived at by taking four per cent of the interest payments received since the income tax became law.

The minister in charge of the income tax, Hon. M. A. MacPherson, maintained the company though in liquidation was still carrying on a business and therefore in receipt of an income, which he argued was taxable.

Saskatchewan General Trusts Corporation is the liquidator. Saskatchewan Pool Elevators, a part of the wheat pool, purchased the Co-operative system for $11,061,268 and in August completed the purchase. Total interest payments were $2,150,331 of which $475,502 was paid after the income tax law became effective in the province.

MORE DETAILS ARE AVAILABLE ON WHEAT PLAN

Australian Proposals Include Five Specific Steps Toward Control

Specific information of the several steps taken by the Australian government in recent weeks toward wheat control, are outlined in a statement issued recently by the U. S. Department of Agriculture.

Following are the steps propdsed by the Commonwealth government:

Steps Proposed Outlined

(1) Prohibition of exportation of grain or flour except under permit.

(2) Issuance of licenses to exporters with allotted quotas so as to bring the export quantities within the quantity set by the international agreement.

(3) Free purchase of wheat in the domestic market.

(4) Exporters who purchase more wheat than they can export during the current season will be permitted to deduct their carryover from the quota for the next season before the exportable quantities for that season are calculated.

(5) A consultative committee of Australian wheat growers, farmers' pools, grain exporters and flour exporters will be formed to discuss monthly operation of the plan.

In conjuction with these proposals, the Minister of Commerce announced that if merchants did not bid world prices for Australian wheat, the Commonwealth Government would itself purchase excess supplies from the farmer at parity prices.

Plague Costs Saskatchewan Many Millions

Insect pests, grasshoppers, cutworms, wireworms and wheat stem fly caused a loss to the farmers of Saskatchewan in 1932 of approximately $10,164,000.

These are figures supplied by the Dominion Entomological branch, in co-operation with the statistics branch, department of agriculture for Saskatchewan.

Actual figures for 1932 have not been compiled, and will not be available until November, 1934, but officials of the wheat pool, department of agriculture, and secretaries of municipalities, according to the Regina Star, have provided estimates, that indicate the loss in 1933 will be more than $20,000,000 cash loss at elevator prices to the farmers of Saskatchewan.

The enormous loss of 1933 was caused mostly by grasshoppers, very few cutworms and wireworms being reported in the province this year.

So serious was the damage done by 'hoppers that governmental authorities early in the fall started a campaign to keep down the plague of grasshoppers in the province in 1934.

Good headway has been made in some sections, but authorities recommend that the fight be continued to the limit.

ALBERTA FARMERS FAVORING CONTROL

Pool Meetings at Edmonton Opposed to Acreage Reduction

Control of wheat deliveries made by farmers at the elevators to supplant a proposed acreage reduction scheme, has been favored by seven meetings of Alberta Wheat Pool units in Edmonton district within recent weeks, according to reports from Edmonton.

Resolutions favoring the principle of delivery control on a quota plan that will be applied to the farmer, possibly through the municipalities, and made compulsory by legislation, were passed by each meeting. General opposition was voiced against the acreage reduction plan as not being feasible.

Meetings were held at Mearns, Nearlandia, Villeneuve, Barrhead, Westlock, Vimy and Morinville with from 20 to 60 farmers at each.

All meetings asked for a national wheat board, it being argued that a national board to control exports under the quota accorded Canada by the international wheat agreement, was essential to make the Dominion's part work successful.

With the large carryover of wheat in Canada, it was feared that a normal crop might well exceed the export quota and cause elevator congestion through a rush of farmers to market after threshing and get a part of the market offered. For those reasons both control of deliveries by the individual farmers and control of export flow by a national wheat board were essential, speakers advised pool members.

New Officers Elected For Alberta Wheat Pool

H. W. Wood has been re-elected chairman of the board of directors of the Alberta Wheat Pool. Lew Hutchinson was elected vice-chairman. Committees for the year were appointed as follows: representatives on Canadian Wheat Pool board, L. Hutchinson, George Bennett and J. Jesse Strang.

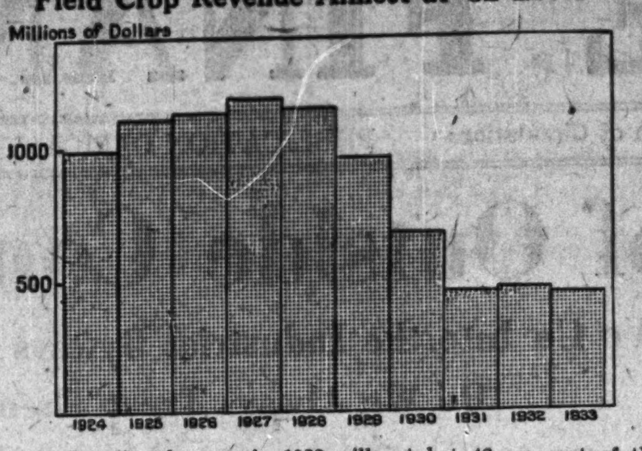
Office committee: Ben S. Plumer and C. Jensen; elevator committee; R. A. MacPherson and C. Jensen; field service committee: Ben S. Plumer and R. A. MacPherson; publicity committee; C. Jensen, Ben S. Plumer; legislation committee: Ben S. Plumer, R. A. MacPherson; finance committee: Ben S. Plumer, C. Jensen; field crops committee: R. A. Mac Pherson, C. Jensen.

Winnipeg Grain Prices

Week to December 19

Crop year from Aug. 1, 1933 High	Low		Open Dec. 13	High for week	Low for week	Close Dec. 19
		Wheat				
.90⅝	.54¼	December	.61	.61	.58⅝	.59⅛
.95	.59¼	May	.64½	.64⅛	.62¼	.62⅜
.70½	.68⅜	July	.65	.65⅝	.63½	.63⅞
		Oats				
.45⅜	.26	December	..	.30	.29½	.29⅝
.48½	.29½	May	.33	.33	.32½	.32⅝
.36¼	.32⅛	July	.33⅝	.33⅝	.33¼	.33¼
		Barley				
.56⅛	.29¼	December	.34½	.34⅞	.33⅝	.34⅛
.59⅝	.32½	May	.37⅝	.37⅝	.36⅞	.37
.41	.36½	July	..	.38	.37⅛	.37⅝
		Flax				
1.63½	1.11	December	1.41¼	1.42⅝	1.40⅝	1.41½
1.71½	1.15	May	1.45	1.45	1.42⅝	1.43½
1.48⅝	1.39½	July	..	1.43¼	1.41½	1.42
		Rye				
.64½	.37	December	..	.41⅛	.40¼	.41⅛
.68½	.39½	May	.44¼	.44⅞	.43⅛	.44⅛
.50⅝	.43⅝	July	..	.45⅝	.44½	.45⅛

Field Crop Revenue Almost at '32 Level



Although Canadian farmers in 1933 will get but 42 per cent of the average revenue of the years 1926-30, returns will be almost as great as those of 1932, in spite of a virtual crop failure in the west.

The chart shows revenue from field crops in Canada in the past ten years as estimated by the Dominion Bureau of Statistics.

Six Provinces Will Show Increased Crop Returns

Revenue from Field Crops in 1933 Estimated at $427,791,000 — Down 4% from 1932

Canadian farmers will "gross" $427,791,000 from their field crops in 1933 unless prices rise very materially before crops are disposed of, according to the annual estimate of field crop production prepared by the Dominion Bureau of Statistics at Ottawa. This figure is but 4 per cent less than the revised total of a year ago and 1 per cent below the 1931 level. It is but 42 per cent of the 5-year average of production in 1926-30.

Chief gain of course has been in prices received for this year's produce. Thus of the 17 crops for which information is now available, all but alfalfa and sugar beets show higher prices this year than last. The 1933 prices are also better than those of 1931 except for the two items mentioned and for fodder corn, buckwheat and barley. In the case of the two latter commodities the 1933 figure is back exactly to the 1931 level. Greatest gain is in flaxseed which is selling for almost 100 per cent more this year than last. Wheat prices are shown at 45 cents a bushel as compared with 35 cents a bushel in 1932 and 38 cents in 1931.

Six Provinces Improve

By areas the figures are particularly illuminating for they show marked changes from last year and some surprises. Thus Prince Edward Island leads with a 31.5 per cent gain in revenue over last year. Next comes British Columbia where farms are quoted as getting 13 per cent more than in 1932; N. S. crops netted 12 per cent more. In Ontario an additional $10,000,000 is coming to field crop growers which is 9 per cent more than last year. Manitoba is shown with 7 per cent more revenue from field crops than in 1932 while Quebec province broke a little better than even with its last year figure.

The two important declines were in the west with Saskatchewan down 18 per cent and Alberta lower by 16 per cent. New Brunswick was only slightly below the 1932 figure.

Comparative figures for the provinces and for individual crops are as follows:

PROVINCIAL DISTRIBUTION OF FIELD CROP REVENUE

	1933 $	Percentage Change 1933 and 1932 %	1932 $	1931 $
Prince Edward Island	8,402,000	+31	6,393,000	6,828,700
Nova Scotia	11,452,000	—12	10,206,000	10,087,000
New Brunswick	12,232,000	—3	12,629,000	10,670,000
Quebec	70,855,000	+1	70,382,000	73,487,000
Ontario	123,746,000	+9	113,904,000	124,541,000
Manitoba	32,357,000	+7	31,313,000	24,847,000
Saskatchewan	77,363,000	—18	94,415,900	70,347,100
Alberta	79,285,000	—16	94,938,000	98,916,000
British Columbia	12,099,000	+13	10,714,000	12,484,000
Total	427,791,000	+4	444,894,900	432,199,400

VALUE OF FIELD CROPS IN CANADA, 1931-33

Field Crops:	*1933 Average Price $	*1933 Total Value $	1932 Average Price $	1932 Total Value $	1931 Average Price $	1931 Total Value $
Wheat	0.45	123,525,000	0.35	149,101,000	0.38	123,550,000
Oats	0.25	76,320,000	0.19	75,716,000	0.24	77,970,000
Barley	0.26	16,544,000	0.23	18,587,000	0.26	17,465,000
Rye	0.34	1,599,000	0.27	2,393,000	0.28	1,476,000
Peas	1.00	1,398,000	0.85	1,288,300	0.85	1,160,400
Beans	0.98	878,000	0.55	628,600	0.72	941,300
Buckwheat	0.50	4,309,000	0.42	3,540,000	0.50	3,454,000
Mixed grains	0.39	12,794,000	0.33	13,068,000	0.37	14,453,000
Flaxseed	1.12	759,000	0.62	1,519,000	0.79	1,944,000
Corn for husking	0.55	2,562,000	0.45	2,276,000	0.42	2,274,000
Potatoes	0.78	32,464,000	0.62	24,406,000	0.43	22,359,000
Turnips, etc.	0.36	12,410,000	0.27	10,160,000	0.28	8,109,000
Hay and clover	8.40	94,870,000	7.10	96,278,000	7.62	106,343,000
Alfalfa	8.23	13,576,000	8.55	15,085,000	10.36	14,381,000
Fodder corn	3.10	9,624,000	2.75	7,869,000	3.96	11,415,700
Grain hay	6.57	21,929,000	6.08	20,312,000	6.18	22,130,000
Sugar beets	5.32	2,230,000	5.93	2,668,000	6.11	2,774,000
Total		427,791,000		444,894,900		432,199,400

*Preliminary estimate.

UTILITIES BOARD MUST WAIT IN B. C.

Government is Too Busy to Take It on Just Now

From Our Own Correspondent

VANCOUVER.—Appointment of a public utilities commission, as proposed by the present Liberal administration before taking office, will have to wait until some of the other pressing matters engaging British Columbia's attention are settled.

This was the statement made by Premier T. D. Pattullo as he laid plans for carrying to Ottawa his proposal for federal guarantee of a provincial refunding loan.

Mr. Pattullo stated that it would be impossible to draft the necessary legislation for a public utilities commission in time for the next session of the legislature.

The economic policy of the Government may be summarized as follows:

1. A board of industrial relations to supervise labor law enforcement and to act as an intermediary between employers and workers.

2. An economic council, acting purely in an advisory capacity and without remuneration to explore the whole field of industry and advise the Government on all economic problems.

3. A remade male minimum wage act to take the place of the present useless and inperative statute, and to make effective minimum wages possible.

4. Amendments to the eight-hour day law to give the Government and the board in charge wider powers to enforce it more successfully.

Most of this important programme will be implemented at the forthcoming session of the Legislature.

Brandram Paint Meeting Adjourned for Second Time

From Our Own Correspondent

MONTREAL.—For the second time bondholders of Brandram-Henderson Ltd., paint manufacturers, have met in Halifax but failed to secure a quorum. The next meetting will be held on February 15, 1934.

The meeting had been called to consider a plan of arrangement submitted by the company in connection with default on interest payment on the 20-year sinking fund consolidated mortgage bonds. It was proposed to defer interest payments and sinking fund payments.

While more bonds were present at the second meeting, it was not possible to take action on the plan. It is hoped that at the third meeting in February a quorum will be secured.

Investment Foundation Pay on Dividend Arrears

From Our Own Correspondent

MONTREAL. — Further improvement in the income position of Investment Foundation, a Montreal investment trust, is seen in the action of the management in declaring a dividend of 12 cents a share on account of arrears of dividends on the preferred stock. Arrears on this issue now total 8½ per cent.

At the end of March last the company had outstanding $1,668,850 of preferred stock. This compares with the original issue of $2,000,000 made in March, 1929.

PARKHILL PROFITS $1,617 IN 11 MONTHS

Development Work at Depth Proves Each Level Gets Better

Parkhill Gold Mines operating in the Michipicoten area of Ontario, in an eleven months period ended November 30, reports a net profit of $1,617, after writeoffs and reserves. This compares with a profit of $16,188 reported in the four months ended April 30, 1933, which is included in the eleven months figures.

The normal value of the production was $173,579, which was supplemented by exchange compensation of $64,098. Miscellaneous income was $10,749, which includes unrefined gold on hand, making the gross income $249,426. Operating and general expenses of $88,834, administration expenses of $11,382 together with writeoffs and reserves of $147,593, resulted in a net profit of $1,617.

The production officially reported by the Ontario Department of Mines for the nine months period ended September 30, 1933, as $135,684, with gold at normal value, recovered from 6,355 tons of ore treated. This indicates that the production in the last two months has averaged about $19,000 per month or the best of any period to date.

The report states that the shaft has been sunk to the 7th level, 860 feet depth, on the dip of the vein and is now going down to the 8th level. Sir Thomas Tait, president, states, "each level has proved to be better than the level above, as to width, length and grade of ore." At the present west end of the 6th level, a shoot has been opened up carrying high grade ore. This shoot, the president states, may carry up to surface. On the 7th level, the president states, assays over more than stoping width of from $40 to $130 per ton are not uncommon.

International Paints Complete Ramsay Deal

From Our Own Correspondent

MONTREAL.—International Paints (Canada) Ltd. financial statement for the year ended September 30 last will make its appearance during the next week. No information is available as to the trend of earnings. During 1932 the company earned $5,909 which was appreciably less than reported in the three previous years.

Balance sheet of International Paints as at September 30 last will exhibit important changes, principally in connection with the company's purchase of A. Ramsay and Sons. At a special meeting of the shareholders, approval was given of an issue of £30,000 of first mortgage 10 year 7 per cent bonds. Proceeds of this issue, which was underwritten by the parent company—International Paint and Composition Co. of England—at 90, was used to purchase the Ramsay company clear of all obligations for approximately $130,000.

Matthews & Co. Moves Office

Matthews & Co. is now occupying new offices on the twenty-first floor of the Star Building, 80 King St. West. Member of the Toronto Stock Exchange, the company does a bond and stock brokerage business and has connections in Montreal, New York and London, Eng.

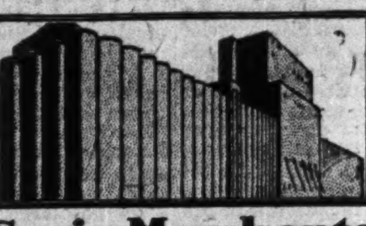
DOMINION MOTORS WILL KEEP CHARTER

R. D. Kerby Joins General Motors as Assistant General Sales Manager

Roy D. Kerby, president and general manager of Dominion Motors Ltd., will become assistant general sales manager of General Motors Products of Canada Ltd., following his resignation from Dominion Motors Ltd. which is effective January 1. Prior to his association with Durant Motor Co. and Dominion Motors Ltd., the successor company, Mr. Kerby was connected with the McLaughlin Motor Car Co. for 13 years.

According to a statement made by James A. Brand, secretary-treasurer and comptroller of Dominion Motors Ltd., the company will continue without surrendering its charter or liquidating. The statement reads as follows:

"Although suspending operations at its Leaside plant at the end of the year, it is not the intention of the company to go into liquidation, or even lose its identity. At present part of the company's plant at Leaside is leased to Reo Motors and from this source a certain amount of revenue is being derived. In the meantime the company is disposing of its car inventory and arrangements have been made whereby distribution of parts for dealers and owners has been taken care of. It is the intention of Dominion Motors to retain its name and charter with the expectation that the company may be able to re-establish itself in the near future when conditions in the industry improve."



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How Avoid Inflation If Inflation Comes

Pertinent Questions by Investor Who is Convinced Dollar Will Depreciate Greatly — Equities or Bonds — Inflation Bogey May be Over-Emphasized

A friend, who is around sixty, married, with two children in the late teens, whose education will require to be completed, and who is recently retired on a fair pension, will shortly realize $40,000 as the proceeds of an inheritance. He could probably afford to forego for say three or four years, if necessary, a portion of the "safe" income he might obtain from an investment in high grade bonds, and he writes as to the investment of the capital indicated, and other problems along more or less the same lines, in part, as follows:

"In short—it has been my opinion for several years—and still is—that the debt structure in Great Britain, the United States and Canada, cannot be supported except on currency units of probably something less than 50 per cent of their respective purchasing powers, current or recent, less even than the purchasing powers current when the bulk of the debts was contracted.

"Devaluation it seems clear is only feasible by means of inflation of the currency units.

"If this reasoning be good, then it must be obvious that one should not under any circumstances recommend that an estate such as I am concerned with here be invested in bonds—since the investor must suffer a shrinkage in his real wealth over the next year or two of as much and probably more than 50 per cent—if the present economic scheme is to survive.

"It is true, of course, that to choose a list of assets of the 'physical' category one is practically limited to common stocks and that, therefore, he must have means of bringing good judgment to bear if he is to make wise selections, hence the canvass of authoritative opinion which you have been good enough to make for me recently, the results of which I shall tabulate to focus attention on those stocks which command the most favor.

"My inclinations may, in my final selections from the tabulations I shall thus set up, prompt me to eliminate all stocks representing corporations engaged in the production of so-called 'capital' goods, and to confine my selections to stocks of corporations engaged in the production, processing or distribution of so-called 'consumer' goods—having in mind the present difficulties and low ebb of affairs in the 'capital' goods industries. When and if affairs take a more favorable turn for the 'capital' goods industries, one might modify this policy."

Our client is anxious to obtain a consensus of certain individuals and institutions he considers capable of good practical judgment in the matter, before fixing more or less definitely on an investment policy which would exclude investments "repayable in a fixed number of the unit of currency" in favor of "physical" assets as represented by common stocks or corporate obligations which embody a conversion privilege. He asked us to write you.

The problem to which your client is seeking an answer encompasses the whole investment horizon.

Undoubtedly those who profit most in investment are those who have all their eggs in the right basket all the time. That is, when prices have fallen heavily and depression has come, those who held only cash or gilt-edged bonds have profited most. When prices have risen and booms have developed those with equities have reaped most of the benefit. The exceedingly difficult problem is to tell when to make the changes. The present economic position of currencies, trade and securities may be regarded as peculiar and unusual. But so far as equity investments are concerned, they may be regarded as continually peculiar and unusual. Change or decay is affecting them at all times, even in boom periods. Even in prosperous times, the value of an equity security may become changed in a very short period.

Consumer goods industries have shown that they provide the safest form of equity investment, if the recent depression period can be taken as a guide. People cannot abstain from eating, drinking, motoring, and so on. But consumer goods industries can take heavier inventory losses than capital goods industries. When prices are rising, of course, they make inventory profits.

Capital Goods Companies

It is not necessarily wise to invest in capital goods equities just when times are good. For instance, the buyer of U. S. Steel in 1927 would have lost heavily within five years in both dividends and capital investment. Sometimes it has happened that investors in this type of industry in depression periods have done better. Take for instance the example of a steel investment in 1915, when conditions were bad in the capital goods industries. The war finally brought such investors enormously increased dividends and capital appreciation. With the possible exception of war periods, it is extremely hard to foresee, two or three years before, that changed conditions in the money markets of the world will mean boom or depression for capital goods industries. Often when such developments become apparent, it is too late to reap the benefit or avoid the losses.

Mixed Investments

One of the conservative methods of avoiding the risks of too much inflation and too much deflation is to divide the capital investment equally between the best grade of bonds available and the best equity securities, avoiding those securities which are neither fish nor fowl. Then in times of inflation, such as we had during the war, through sale of Government securities and by creating additional bank credit, the improved capital value of the equities and increased dividends tend to offset the loss of purchasing power of the gilt-edged, fixed-income bonds. In times of deflation, the equity investments, say in consumer goods industries, would tend to return less to the owner in dividends and would also tend to decline in capital value. But the investor would get the benefit of the increased purchasing power of his fixed income from gilt-edged bonds, and the capital value of these and the equity investments might, in terms of purchasing power at least, be little less than during an inflationary period.

To exclude the best class of fixed income securities entirely leaves the investor up against the boundless problem of making the right decision on his equity securities at all times. Unless one happens to be an investment genius, the dangers of such a policy offset many of the advantages.

Dangers

The cases of wrong decisions on equity securities are more numerous than the cases of correct conclusions. We cite two instances of the correct decisions merely to indicate the depth to which one must look before being sure of one's ground. And even then the venture may turn out badly for some apparently obscure reason, which, of course, is always evident—when it is too late.

In April, 1930, a study of the copper situation, in which a price control was being attempted, showed that stocks were growing rapidly. Production was also at a high rate. The price of copper was 18 cents a pound. Other commodities, notably silver, were beginning to decline sharply. One statistical organization issued a bulletin in which it was suggested that copper might fall to 12 cents a pound! On the strength of these indications, one investor, to our knowledge, sold out of copper stocks at a profit, even after the 1929 crash. Another did not, and he was an academician, an amateur economist, in the employ of a financial organization. By failing to act on what appeared an obvious indication of what was coming, the second investor was practically ruined when copper fell, not to 12 cents, but to less than half that.

Then in January, 1933, the motor industry, which is between capital and consumer goods classes, showed indications of great possibilities. Of the 1,000,000 cars in Canada, for instance 600,000 were at least four years old and 400,000 were six years old or more, according to estimates. This indicated a tremendous market when the public could afford replacements. But early this year it appeared that it might be two years or so before this purchasing power would develop. Nevertheless it seemed wise to say that motor equities showed better possibilities than other equities. They started to get the benefit of this market in 1933. Perhaps the depression removed much of the "saturation" of the motor car market. But what should be done now? Is the market still to be exploited, or is the cream off?

Other examples of the difficulty of selection, and the need for change, would perhaps include Gillette which had its safety razor business undermined by a competitor; C. P. R. and other railroad companies whose story is well known; B. C. Packers which is definitely a consumer goods industry; the pulp and paper industry undermined by over expansion and the decline in advertising and publishing value; even public utilities, such as Winnipeg Electric and Power Corporation, have had their difficulties. In the depression, tobacco, food and oil (distribution) have stood up best. Even clothing has been hard hit. The list of highly stable equity securities is exceedingly small.

When to Sell Equities

In investing in equities, the buyer should be capable of examining his own psychology. It is an established fact that it is harder to decide when to sell than when to buy. And the inclination is to hold the losses and realize the profits, when considering a switch, often a disastrous policy.

You will understand our difficulty in answering your enquiry, and the necessity for generalizing so much. But the fact must be evident that to buy a list of equities and expect to stick to it may result in disaster. The point is that decisions must not only be made, but acted upon, after the first investments are made. It is not so difficult to start out with a good list, but it is more difficult to keep it good.

Nevertheless there is much to be said for a policy of holding some equities to offset the possible effects of rising prices.

Why Currency Inflation?

So far this answer has been based on the supposition that inflation is likely of currency. There are many strong opponents to such a policy in the fear of the obvious political troubles which would be unloosed by a policy of reducing the value of dollars used to pay wages and salaries and insurance policy maturities. There is coming into existence a new respect for stable currencies, exchanges and media of investment. One cannot tell what may happen to unwieldy international debt structures ahead of the event but that is not an argument for inflation so much as an argument for not putting money into securities of governments which are not balancing their budgets, which are extravagent or which are finding collections fall far below necessities and estimates. They should compose with their creditors rather than issue paper of debased value.

Faith is Strong

So far as the Dominion Government and the Canadian people are concerned, faith is strong that the good sense of electors will force statesmen to meet the debt situation by a policy of gradual reduction accompanied by converting into lower-rate issues from time to time. It can get rates lower, though not on every occasion of conversion, if it keeps its credit good and its currency unit dependable for all traders, producers and consumers throughout Canada. The latter consideration should govern all currency policy, not the necessities of governments. If the views of your client were generally accepted by investors, then the difficulties of the governments would be enhanced and its needs could not be financed profitably.

Governments will do better in revenue by policies which open the way to more active production, consumption and trade which arise without artificial stimulus. These will restore revenues, but currency depreciation can only hamper trade. Foreigners will reduce Canadian commitments until they know where they are at. Recent fluctuations because of United States gold and dollar policy sufficiently show what a "boloney" dollar does to business, trade and confidence.

Enquiries

National Breweries

It has been suggested to me that I make a small investment in National Breweries stock. Is the company concerned with the U. S. market and how is it getting along now?

National Breweries is looked upon as the strongest company in the brewing field. It has established its brands in what is probably the best market in the Dominion. The management is able and earning power has been kept at a high level. While the change in the U. S. prohibition regulations opens up a wider market for the company, it is thought that the company will depend upon the domestic market, as in the past, for the greater volume of its sales. Business during the current year is understood to have held up comfortably and income for the 12 months to be on a basis comparing favorably with that reported for last year.

King Edward Hotel

I should like to know on what date interest was defaulted on the class A and B debentures of King Edward Hotel Co. On what date did the company go into bankruptcy? What is the position of the debentures at the present time?

The King Edward Hotel Co. failed to pay interest due December 1, 1930, on its 8 per cent series B debenture stock and the interest on the series A debentures due on that date was paid by United Hotels Co. under its guarantee. Debenture holders agreed to a plan of re-organization on April 3, 1931, whereby the interest rate on the 8 per cent debentures was reduced to 6 per cent. Cumulative interest on the series A debentures was to be payable only out of earnings up to December 1, 1932, and interest on the C debentures which was non-cumulative was to be paid only out of income up to December 1, 1934. United Hotels Co. of America guaranteed interest on the series A debentures but not on the series B debentures. Interest on the first mortgage to March 1 was not paid and the company went into default May 1, 1932. An order was made on December 7, 1932, which placed the company in receivership, and the National Trust Co., Toronto, was appointed receiver and manager.

Interest is due on both series A and series B debentures on December 1 and June 1. As at December 1, 1930, the capital structure of the company was as follows: $2,150,000 of 7 per cent first mortgage due 1938 which are held by the Metropolitan Life; $1,145,000 of 7 per cent refunding sinking fund gold bonds due 1944. Following this issue there rank general mortgage bonds of which $3,800,000 are authorized but possibly not more than $200,000 have been issued. Then follows $2,444,200 of 6 per cent series A general mortgage sinking fund debenture stock due 1963 and $827,200 of 6 per cent series B debenture stock. No financial statement has been issued since that for 1930. The first mortgage is secured by the land and building of the company while the second 7 per cent refunding mortgage is secured by furnishings.

At the present time, the hotel is earning its operating costs and taxes by a very small margin but is incapable of earning first and second mortgage interest charges at the present time. It would take a very substantial increase in earnings to enable the company to pay interest on the series A and series B debentures and debenture holders can hardly expect any return for a very long time although their position may be made more secure if hotels in Ontario are permitted to sell beer by the glass and earnings are improved thereby.

The National Trust Co. is trustee for the series A and series B debentures and is in very close touch with the operations of the hotel. Under the reorganization plan of 1931 a committee representing debenture holders was appointed which had the power to elect five of the nine directors. There seems to be very little that the debenture holders can do to improve their position.

United Hotel Co. of America, which owns the common stock of King Edward Hotel Co. and which has guaranteed interest on the class A debentures, recently went into receivership. The National Trust Co., acting as trustee, has filed claim with the receivers of United Hotel Co. on behalf of the holders of class A debenture stock of King Edward Hotel Co.

Canadian Car

Will Canadian Car and Foundry Co. continue to pay dividends on its preferred shares? Do you think it worth while buying some more of this stock? Have you any information as to the amount of business the company is doing and expects to get for 1934?

The management of Canadian Car and Foundry Co. found it necessary recently to defer further dividend distribution on the preferred stock. This action was taken in order to conserve the company's liquid resources until such time as there was a resumption of activity in railway rolling stock equipment. Properties of the company have been maintained in first class condition and working capital is ample for all ordinary purposes.

Earning power of the company will depend upon resumption of buying from the Canadian National and Canadian Pacific Railways. A small amount of business is secured from the tramways companies and other organizations, but the bulk of the orders comes from either the C. P. R. or the C. N. R. Prospects of these two railways coming into the market for additional railway equipment are not very bright at this time. Admittedly the companies could do with new equipment but their finances are such as to prohibit them from spending on any large scale. Until railway conditions are greatly improved, it is not to be expected that Canadian Car will secure any large increase in new business.

Canadian Hydro

It would be appreciated if you can let me have your views on the first preferred stock of Canadian Hydro-Electric Corp. I hold some of this stock and cannot account for the fact that it is selling at a heavy discount.

Canadian Hydro-Electric's income is a third charge upon operations of its subsidiary—Gatineau Power Co. The ability of Gatineau Power to pay dividends to Canadian Hydro depends largely upon the maintenance of power sales to Canadian International Paper Co. The newsprint situation, as you may be aware, has been unsatisfactory for some time past and this state of affairs naturally has been reflected in the market value of Canadian Hydro's first preferred stock. Within the last few months, however, the newsprint situation has strengthened and outlook for Canadian Hydro has grown more favorable.

General Steel Wares

I hold some bonds in General Steel Wares and would like to know what are the prospects of the company maintaining or earning its interest. Would it be well to sell now and take a loss or hold on? I am not in particular need of the money and can continue to hold on if the company is making progress.

Since the beginning of the current year, sales and earnings of General Steel Wares have shown a pronounced improvement over that reported for the corresponding period of 1932. There is an excellent prospect, based upon the returns for the past 11 months, that the company will come close to covering its bond interest requirements. This improvement has been reflected in the steadily increasing market price for the bonds. The outlook for the company is now more encouraging than it has been for some time past.

Beauharnois Bonds

I hold a $1,000 bond in Beauharnois Power Corp. I have been told that the company will be able to pay interest beginning October, 1937. Have you any information on this point?

Under the terms of contracts with Ontario Hydro-Electric Power Commission and Montreal Light, Heat and Power Cons., Beauharnois Power Corp. expects to receive sufficient revenue by the end of 1937 to enable it to pay interest on its 5 per cent collateral trust bonds. Deliveries of power to these two enterprises are on an increasing scale, reaching a maximum in 1937, when 250,000 h.p. will be delivered to Ontario Hydro and 150,000 h.p. to Montreal Light, Heat and Power. In addition, the latter has an option to take an additional 50,000 h.p., making a total in all of 450,000 h.p.

Whittall Can

Will you be good enough to let me have your opinion on the preferred stock of Whittall Can? Why is it selling at a discount?

There are many reasons why the stock sells at a discount. Until within recent months Whittall Can's earnings had been restricted, while its experience with certain canning subsidiaries had not been altogether favorable. The position of the company and its subsidiaries, however, has undergone an improvement and outlook for earnings is more encouraging.

Shawinigan

Has there been an improvement in the position of Shawinigan Water and Power Co.? I have been considering the purchase of a few shares, but before making a commitment in the stock would appreciate any information you may have as to the current status and outlook.

Shawinigan Water and Power Co.'s sales this year will be larger than for 1932, but owing to the lower selling price on a fair quantity of the power delivered to industrial concerns, revenues may be slightly lower. The current dividend of 50 cents a share on the common will be covered with a surplus for the profit and loss account. Two favorable developments have taken place in connection with this company's operations and finances. A substantial proportion of its output is sold to the newsprint industry. As you may know this industry has been having a difficult time over the last three years. Lately, however, newsprint operations have taken a turn for the better and the outlook for 1934 is more encouraging than for some time past. The second favorable development has to do with the payment of premium for the purchase of U. S. funds to take care of bond interest payments. This premium cost the company several hundred thousands of dollars last year. With the Canadian dollar at or near par this burden is eliminated to the benefit and strengthening of the common stock's position.

Winnipeg Electric

Winnipeg Electric's preferred stock has been mentioned to me as a good speculation. From what little I know of the company, its future outlook is not very encouraging, but before taking any action I would like to have your opinion.

Winnipeg Electric's preferred stock can only be regarded as highly speculative in view of the difficulties confronting the company. Income has dropped to a point where the company can not pay dividends on its capital stock. At the same time its two main subsidiaries are in difficulties and protective committees are now endeavoring to work out a scheme of arrangement which will undoubtedly have an effect on the position of Winnipeg Electric's preferred stock. Until the situation is clarified, the capital stock of Winnipeg Electric does not hold much promise for the investor.

Dryden Paper

How do you regard Dryden Paper common stock as an investment? Has the company any prospects of developing a big earning power and paying dividends to the common shareholders in the near future?

Dryden Paper common stock should only be regarded in the light of a long hold, speculative issue. The company has undoubtedly made progress in recent years, but its earning power has been limited by a variety of conditions general to the industry. Last year income was not sufficient to take care of bond interest payments. Net working capital is such that the management has stated that there was no fear for the bond interest. During recent months—The company's year ended on September 30—business has been on a better basis. The management reported that profits were sufficient to cover bond interest. The outlook is regarded as more favorable, but the improvement will have to be marked before the common shareholders will participate in profits.

Eastern Dairies

Among my investments are a few preferred shares of Eastern Dairies and I would like to have your opinion on the position of this company.

Eastern Dairies has run up against a number of difficult situations over the past two years. Unsettled market conditions in the Winnipeg, Montreal and Toronto areas have cut into sales and revenues. The lower purchasing power in the areas served by the company have restricted the demand for milk and milk products. While efforts have been made by the management to maintain sales and open up new sales outlets, income has declined to such an extent that it was considered advisable by the management to defer dividend action not only on common but on the preferred shares. At the same time the underlying securities of Crescent Creamery and Acme Farmers Dairy, two of the principal subsidiaries, have entered the non-dividend paying class. The report for the current year is not expected to show any marked change in the company's income position and there does not appear to be an immediate prospect of a resumption of dividends on Eastern Dairies' preferred stock.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

Sherritt-Gordon Mines

What is the outlook for Sherritt-Gordon Mines? Has it sufficient funds to finance shut-down expenses?

Sherritt-Gordon Mines demonstrated in the few months it was in operation that it was a moderately low cost producer and had a fair tonnage of moderate grade of ore. Given a return of high copper prices, such as prevailed at the time the company was incorporated, doubtless it should make a good showing, but with the chaotic condition of the copper market and presently prevailing prices, there is no indication that operations are to be resumed. The management of the company is in the hands of the Lindsley interests. The future of the company seems to be inseparably tied with the trend of copper prices toward higher levels.

The company on December 31, 1932, had liquid assets of some $555,000, including inventories of $279,849 and if the shut-down is not too long drawn out it can resume operations without further financing.

Montgomery-Ackerman Gold Mines

I understand that the new company has been formed known as the Montgomery-Ackerman Gold Mines Limited to take over seventeen claims owned by the Tom Montgomery Synd. in the Swayze district of Ontario.

Any particulars pertaining to this change, or any correction if necessary in the understanding that I have of the situation, would be very gratefully received.

We believe that your understanding of the newly formed Montgomery-Ackerman Gold Mines is correct. The sponsors of this company are well known and well regarded mining men. Tom Montgomery being one of the stakers of the W a i t e-Ackerman-Montgomery property in Quebec. We believe that shareholders are assured a square deal and a run for their money in providing any funds for development. The claims are in an interesting area and only a well-financed development programme will determine their importance.

Columario

Will you please give me some information regarding the Columario Consolidated Gold Mines? There seems to be considerable secrecy regarding the new financial arrangements and the allotment of shares. I am a shareholder in the predecessor company and have exchanged the shares but now they are pooled and I cannot sell them. Have you any details of the new financing agreements?

Columario Consolidated Gold Mines is a reorganization of the Columario Gold Mines which has seen considerable promotional activity in the last four-and-a-half years. Whether or not the property will ever become a profitable producer is a matter of conjecture at the present time. The most recent report on the property was by W. G. Norrie in midsummer, 1931, when he said it was possible to develop approximately 75,000 tons of ore from the known ore shoots. He also recommended that a test on the ore be made to determine the best method before a mill unit was decided. The present group in charge are in the throes of another financing programme in which a generous allotment of new shares was made under an agreement designed to give the company working capital.

The present company has a 2,500,000 share capitalization Of the 1,700,000 issued capitalization 1,000,000 shares are exchangeable for the shares in the predecessor company on a share for share basis. All these shares are pooled for an indefinite period, but are to be released from pool upon the repayment of the mortgage held against the property.

A syndicate was issued 500,000 shares at 25 cents per share, in consideration of a loan of $75,000 further secured by a mortgage on the company's property. Of these shares 250,000 are free stock and the balance is to be released from pool upon repayment of the mortgage and, share for share upon issuance of any treasury shares.

A syndicate also was issued 200,000 shares at five cents per share in consideration of the payment of the debts of the predecessor company.

Miller Independence Mines

I have invested some money in Miller Independence Mines as a pure speculation. The picture painted to me has of course been rosy and I would like to know your opinion in connection with this speculation.

Miller Independence Mines has an interesting gold prospect that never was adequately explored, although thousands of dollars were spent on the property years ago. Prominent engineers think well of its possibilities and work has been resumed toward giving it a conclusive test. We believe that shareholders are assured a fair run for their money and that the property is worthy of the attention it is now receiving.

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MONTREAL LIFE MAKES CHANGES EFFECTIVE 1934

Automatic Loan Feature is Introduced — New Policies

Important changes of interest to policyholders and agents of Montreal Life have been announced with the publication of a new rate book by the company, effective January 1, 1934.

The most important feature is abandonment by the company of the automatic extended insurance and inauguration of an automatic premium loan provision. This is in line with what has already been done by most companies and means that under the new plan policies will be continued in force automatically after three or more premiums have been paid, so long as the net cash value is sufficient to pay any premium due or part thereof.

In other words, when a premium falls due after the third year and is not paid, it will automatically be charged as a loan against the policy provided the value in the policy is sufficient for the purpose. Even if the net value is not large enough to cover the premium due, it is employed to pay a part of the premium and the policy is maintained in full during the proportionate period. Interest is charged at the rate of 6 per cent per annum in advance plus an extra one per cent in advance toward expenses. In addition, the policyholder has the right to pay off all or part of his indebtedness without being required to furnish evidence of insurability and disability or double indemnity provisions are continued in force.

Under the old plan, disability or double indemnity benefits were cancelled and if reinstatement was desired on the original basis, evidence of insurability had to be furnished.

Aviation Restriction Lifted

Other changes announced are abandonment of the present restriction regarding aviation and freedom from restriction from the date of issue except that in the event of suicide within the first two years, only the reserve on the policy would be paid. The incontestability clause of the company has also been altered to exclude fraud.

Another change is that optional modes of settlement provision have been altered to provide the payment of guaranteed installments on a 4 per cent basis and the amounts of the life annuities available to beneficiaries and policyholders have been calculated at this rate with the employment of an up-to-date mortality table.

Specific Policies Changed

Other specific changes in policies are the inclusion of three separate contracts in the company's double protection policies. These are, the regular endowment at age 85, the family protection and a new double protection policy. The latter is an endowment at age 85 with an added feature that if the death of the insured occurs before age 60 or 65, as the case may be, the company will pay double the amount of the policy. Under term policies, the company has added a new plan, a 15-year term convertible only in 10 years.

In the new rate book, premiums are greatly reduced for joint life plans and a new method of arriving at cash values has been placed in effect. The book also contains newly-revised premiums for children's policies and new contracts allowing for return of all premiums paid with 6 per cent compound interest.

The old pension policy has been reorganized under the name "retirement-income policy" and instead of quoting premiums to provide for a definite amount of retirement income, the procedure has been reversed. All calculations have been made on the basis of an annual premium payment of $100 and tables have been prepared showing the amount of retirement income purchased by this premium at ages of 55, 60 and 65. Entirely new rates have been issued for the five types of life annuity issued by the company.

Mutual of New York Pays $30,000,000 in Dividends

The Mutual Life Insurance Co. of New York has announced that while the exact amount to be set aside for 1934 dividends to policyholders cannot be ascertained until the books are closed, the amount will be approximately $30,000,000.

This is slightly less than was paid in 1933, due in part to a decrease in the number of policies on which dividends will apply in 1934, and in part to a policy of conservation under which it was thought unwise to reduce its contingency reserve or surplus, as might be done in normal years.

The trustees, says a statement by George K. Sargent, vice-president and manager of agencies, are convinced "that a reduction of surplus was an unwise procedure at this time.

"It was believed better to err if at all, on the side of safety," the statement continues, "and that policyholders would prefer even a slight increase in the amount of their net cost, with the assurance that the company was planning for security and safety and to fortify itself against untoward developments. In these times conservatism appeals more strongly to thoughtful policyholders than would the same unit cost or a slight increase in it."

J. B. Laidlaw is Candidate For Alderman in Toronto

John B. Laidlaw, chief agent for Canada of the Norwich Union Life Insurance Society, is running as candidate for alderman in Ward Three, Toronto. Mr. Laidlaw has taken a keen interest in civic affairs for some years and is at present a director of the Bureau of Municipal Research.

Mr. Laidlaw feels that every effort should be made to ensure that Toronto's debt burden should not be increased. He also believes that a careful survey might result in increased earnings for the Toronto Transportation Commission and an improvement in the present services being rendered by this commission.

Preferred Accident Withdraws from Canada

The Preferred Accident Insurance Co. of New York is ceasing operations in Canada. The company was registered with the Dominion Department of Insurance, Ottawa, to write accident, sickness, automobile and burglary insurance in the Dominion.

The Preferred Accident confined its personal accident and health risks to the least hazardous class.

Ordinary Life Insurance*

	1928	1929	1930	1931	1932	1933
January ..	$47,569,000	$49,739,000	$45,074,000	$41,188,000	$37,331,000	$29,367,000
February ..	39,962,000	47,140,000	43,925,000	40,180,000	38,145,000	26,323,000
March	44,823,000	48,066,000	49,047,000	46,945,000	37,467,000	29,768,000
April	46,718,000	51,842,000	51,649,000	45,648,000	33,629,000	29,770,000
May	49,581,000	50,547,000	48,871,000	41,314,000	30,998,000	30,497,000
June	51,884,000	53,402,000	54,168,000	46,227,000	40,963,000	32,398,000
July	49,492,000	54,809,000	46,505,000	39,977,000	34,469,000	30,255,000
August ...	43,503,000	41,329,000	36,249,000	35,788,000	28,370,000	27,263,000
Sept.	38,872,000	43,013,000	38,994,000	30,066,000	25,207,000	25,381,000
October ..	55,743,000	50,894,000	44,527,000	36,006,000	29,858,000	31,253,000
November	54,865,000	55,624,000	46,186,000	38,860,000	34,003,000	34,185,000
Dec.	56,647,000	54,189,000	49,026,000	47,163,000	33,483,000	....
Total, 1st 11 months, 1933						$326,555,000
Total, 1st 11 months, 1932						370,440,000
Decrease, 1933 to date, 11.8%						$ 43,885,000
Increase, November, 1933, from November, 1932, 0.5%						182,000

*By 14 companies having in force 83 per cent of total outstanding business in Canada. New paid for, ordinary business only. Figures include both Canada and Newfoundland and are prepared by Life Insurance Sales Research Bureau, Hartford, Connecticut.

Three Methods of Buying Deceased Partner's Share

By Sinking Fund, by Loan, or by Life Insurance—Sinking Fund and Loan Methods Weak—Life Insurance Ideal

By R. M. HAULTAIN

Putting money into a close corporation or private company is a simple matter. But when the stock is not listed and no active market exists, getting one's money out en bloc when needed is a horse of a different hue.

Previous articles of this series have developed the desirability of a written agreement in most cases between associates in a private company, selling to the survivors the business interest of the first to die, the sale being adjudicated by an impartial corporate trustee named in the agreement, who can be counted on to be on hand when required.

Three Methods Examined

This article examines the three following methods of financing the agreement:

1. Building a sinking fund;
2. Borrowing the money;
3. Using the right type of life insurance contracts to fit the situation.

(1) Building a Sinking Fund.—If a sinking fund is built for the purpose a death may occur before the fund is large enough to be of any practical use. Also, most business men say that they can use money to better advantage in the business, and they do not wish to segregate too much in a sinking fund for this purpose as the financing of the agreement becomes necessary only when a death occurs. As a rule they wish to use their liquid reserves for other purposes of a more current nature. A large amount of money would have to be set aside each year to build the required sinking fund over say a ten-year period.

(2) Borrowing the Money.—If the money is borrowed by the survivors when a death occurs they are faced with principal and interest repayment at a most awkward time. This method offers the line of least resistance in so far as immediate effort is concerned, but being simply procrastination it can hardly be termed a method at all. As credit depends largely on economic factors it may be found impossible to borrow at the time when needed. Also, the death of a partner usually impairs borrowing power, as lenders are apprehensive as to what will happen to the business.

Again, one survivor may be able to put up the necessary collateral security and another may not. The one who can would probably acquire complete control of the business. His financial backer might be objectionable to the others.

(3) Using Life Insurance.—Policies of life insurance provide the money exactly when it is needed. In addition they build a liquid sinking fund as time goes on.

Should a partner lose his health to the point where it becomes necessary to divert his salary to another man to do his work, the life insurance company assumes the burden of his premium deposits if the "Waiver of Premium" clause is inserted. This common hazard cannot be provided for under the sinking fund or loan methods of financing the agreement.

Premium deposit equalization between partners on account of difference in ages can be adjusted by interior accounting in any manner desired. Balance of control can be planned instead of being left to chance. The life insurance method has proved up as ideal for the purpose.

L. G. Simon, of New York University, in his book and lectures, aptly terms the life insurance method of financing the agreement "The self completing plan."

It is to the life underwriter therefore, that we must look for definite information on the planning and financing of these arrangements, and from the business man's viewpoint, the best results will be obtained if he places the planning of his case in the hands of the life underwriter in his community in whom he has the most confidence.

From the life underwriter's viewpoint, responsibility for his recommendations is a heavy one, as the effects are far reaching. The new underwriter entering the field of business insurance must burn the midnight oil if he is to know his subject. He must know the business pitfalls from which he is undertaking to steer his client. No matter how proficient he becomes he should have all his arrangements checked and put into legal form by his lawyer or his client's lawyer before the documents and policies are filed away against the day when they will be called upon to function.

It is the duty of the business insurance underwriter to study the factors of each individual case and to ascertain whether or not an insurable interest exists between the shareholders.

Common Type of Error

For example, generally speaking two shareholders of Canadian Pacific Railway could not insure each other to finance an agreement of this nature unless some other relationship existed whereby the death of either would cause a loss to the other.

On the other hand, in a private company the death of say the sales manager might mean a very definite loss to say the secretary-treasurer, or to some other active shareholder. An insurable interest between them usually does exist when the purpose of the policies is to finance the purchase of the stock of the deceased by the survivor, the stock having no active market.

Ascertain First Step

The business insurance underwriter will save time for his clients by ascertaining as the first step the degree of insurability of each partner from the medical angle so that they may know definitely which types of policies each man is eligible for. An intelligent selection can then be made from the various types available.

The protection should be put in force as the next step, and the minor details of the agreement can then be proceeded with at leisure with the knowledge that the necessary health has been capitalized, an illness cannot ditch the plan, and the purchase money is definitely available.

The agreement is then built up round the policies and the assignments and should be put into final legal form by a lawyer.

Many Things Achieved

To sum up: A frequent cause of litigation has then been avoided because the details of the transfer of the stock have been arranged in advance, and the purchase money has been provided. The guaranteed liquid sinking fund feature of the insurance policies will provide cash when the age for retirement comes. And retirement is usually forced during a depression cycle when most types of assets are frozen.

The firm's credit has also been stabilized materially as outlined in the Dun and Bradstreet interview in The Financial Post of November 18.

This is article five of a new series of eighteen articles on business insurance written for The Financial Post by R. M. Haultain. The next article of this series will take the form of questions and answers on the sale of a deceased shareholder's interest to the survivors in a close corporation.

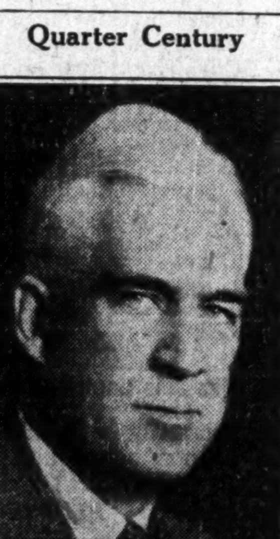
Mr. Haultain is associated with the Toronto office of The London Life Insurance Co.

Business Insurance Feature Articles

In response to a large number of requests from bank managers, chartered accountants, life underwriters and business executives, The Financial Post is continuing on a considerably broader and more comprehensive scale, the series of articles on "Business Insurance" which appeared from the pen of R. M. Haultain, earlier this year.

These articles and those which will appear in subsequent weeks are believed to be the first attempt yet made to provide a complete, authoritative survey of this very important subject, from the purely Canadian viewpoint.

Quarter Century



J. A. MACFARLANE
General manager of the Monarch Life Assurance Co., who has completed 25 years of service with the company. Mr. Macfarlane joined the company in 1906. He has filled the positions of secretary and actuary of the company and before promotion to his present office in 1929 was assistant general manager.

MUST EDUCATE BRANCH MANAGERS ON LIFE POLICIES

Life Insurance Underwriters Can Prevent Unnecessary Surrenders

The need of keeping Canadian bank managers informed as to the importance and significance of life insurance policies to their clients is discussed at some length in the current issue of the Life Underwriters News, official organ of the Life Underwriters' Association of Canada.

Examples have come to the attention of the association where branch managers of Canadian banks have requested the surrender of life insurance policies because of bank loans which were outstanding. Correspondence is published to indicate that in many cases branch managers do not realize what they are doing in asking for such cash surrender values and that not only the interest of the bank but also the insured would be considerably furthered if a loan were taken out on the policy rather than the contract surrendered.

Typical Case Cited

In one particular instance covered by correspondence disclosed that the bank manager had written to a life company asking for cash surrender value on a policy which had been assigned to it. The client's approval had been obtained and the bank asked for an early remittance.

In reply, the life company branch manager pointed out the very definite sacrifice which would be made by surrendering this contract, instead of taking a loan against the policy to cover the bank interest. He pointed out that the annual premium deposit on the policy was $190.50 and that in addition to carrying the risk, the guaranteed cash value of the policy would this year alone, increase by $205. Furthermore, the policy was a dividend paying contract on the quinquennial plan and on the basis of present dividend scale, a dividend of $339.50 would be payable at the end of another three years. If the policy were cashed at the present time two years' dividends would have to be sacrificed.

Bank Manager Convinced

In reply the bank manager pointed out that his client was apparently not in a position to meet the yearly premium and interest on the loan and, therefore, it was felt that there was little or no advantage to be gained by cashing in on the policy. However, the bank manager asked for a tabulated statement showing estimated cash value at maturity of the policy and so forth.

The head office of the life insurance company prepared this information for the bank manager, indicating the advantages to the policyholder (and incidentally to the bank) if the policy could be kept in force. In addition to enclosing the usual surrender discharge form, a loan agreement was also enclosed to pay the current premium then due and operate substantial cash loan. As a result of the efforts of this particular branch manager the policy was saved from surrender.

What is needed obviously is closer contact between life insurance officials and bank managers in order that the latter may be kept informed concerning the nature of the life insurance contract and the somewhat technical pros and cons of cash surrender value and policy loans features.

Insurance Inklings

G. M. Gunn & Son, London, Ont., announce admission to the firm of **P. Anthony DuMoulin.** G. M. Gunn & Son was founded in 1859 and George C. Gunn is senior partner. Mr. DuMoulin is son of Philip DuMoulin, former manager of the Bank of Montreal in Kingston, Ont.

W. H. Courtis, for six years city manager of the London Life Insurance Co., in the Kitchener, Ont., district, will leave shortly after Christmas for Hamilton, where he has been appointed to the district managership.

The Great-West Life cash loans on policies in November were 22 per cent below loans in the corresponding month of 1932. Total gross terminations were 35 per cent lower.

C. C. PRATT has been appointed branch manager of the new branch of the Dominion Life Assurance Co. in Newfoundland. While the Dominion Life has operated in Newfoundland for some time it has never had a branch until recently when Herb. Schaus, comptroller of the company, visited the Island Dominion to look after details of organization of the new branch.

In honor of the birthday of their president, Ford S. Kumpf, field men of the Dominion Life Assurance Co. turned in business amounting to nearly $900,000 on November 27.

N. WALLIS STREAT has been appointed assistant manager for the United Kingdom by the Confederation Life. For several years Mr. Streat represented a group of four leading Canadian life companies, including the Confederation Life Association, in the placing of large policies of Group Life, Group Sickness and non-occupational Accident, and Group Pension plans of insurance in Canada, and, in May, 1932, he was appointed manager of the Confederation Life's Group Division for Great Britain, with headquarters in London.

Aetna Continues Rate Of Dividends Paid in 1933

Morgan B. Brainard, president of the Aetna Life Insurance Co., has announced that directors have voted a continuance of the 1933 dividend scale for policyholders in the participating department.

In the participating department the rate of interest allowed on the proceeds of policies left with the company and on dividend accumulations will, from January 1, 1934, and until further notice, be at the rate of 4¼ per cent.

The rate of interest allowed in the non-participating department on funds held by the company upon which excess interest is paid will be 4¼ per cent.

Great West Life Explains Policyholder Dividends

General Manager Shows How Distribution is Arrived at and Basis of Company's Policy

By C. C. FERGUSON,
General Manager, Great-West Life

The dividend scale of the Great-West Life is calculated on what is known as a contribution formula, whereby the insured is credited with savings from expenses, savings from mortality and profits from interest. As normally applied, the formula gives, from policy year to policy year, a constant appropriation with respect to expenses, a decreasing appropriation with respect to mortality and an increasing appropriation with respect to interest.

Usually, the interest factor has been so much the predominant one, that the net result from all the factors has been a dividend scale increasing substantially with the policy duration.

Investment Depreciation

Where should an investment depreciation enter into the picture?

Our view is that any losses or depreciation on investments should be a charge against the interest rate. When, therefore, we found that we had, in common with all other investors, an investment depreciation to deal with, we decided to adjust appropriately the interest factor in our contribution formula. We decided that worthwhile steps were preferable to halfway measures, and that it was advisable to reduce our dividend scale to a point from which prompt, if gradual, recovery might reasonably be expected. Accordingly our dividend scale for 1932 was calculated on the assumption that our net interest rate for that year was only 3½ per cent, which meant that, on the usual types of policy, the factor of profit from interest was wholly omitted. It will be remembered that a certain rate of interest, usually 3½ per cent, is in effect guaranteed to the policyholders and that there will only be a profit from interest when the actual net rate realized exceeds the guaranteed rate.

The result of omitting the interest factor was that there were only two factors left in the contribution formula and, as the factor omitted was the one which in the past had caused the dividend scale to increase with the policy duration, it is easy to understand why the 1932 scale showed the unusual phenomenon of decreasing with the policy duration.

Effect on Policyholders

The foregoing is somewhat technical but the case can be expressed less formally. On a recently issued policy, the fund created out of the premiums paid, less the expenses and the cost of the insurance, is naturally a very small one. There is, therefore, on such a policy, only a very small amount which could earn interest or suffer depreciation, so that the effect of omitting profit from interest or of otherwise properly providing for the depreciation could have only a nominal bearing on the profits to be allotted to the policy.

The policyholder who has just joined the company could very logically argue that the cost of any depreciation should be borne exclusively by those who had funds with the company which were subject to the risk of depreciation. We can express the matter in still another form by asking: Would it not be fair to exempt the new entrant into any financial organization from investment depreciation which had occurred before he joined?

Advantage of Method

The method we used in adjusting the dividend scale for 1932 had, therefore, the double advantage of dealing fairly with new entrants and with policyholders who had recently joined the company and of distributing the effect of the depreciation over the older policies in an impartial manner. As we now review the facts, we are more convinced than ever that our method was the fair and proper one.

As intimated above, we took the extreme step of omitting in 1932 the entire factor of interest profit. We hoped that we were reducing the dividend scale to a minimum and that we would soon be able to make increases. We realized that we could only make such increases, if the financial position of the company justified the course. Accordingly, the fact that we made an increase in the 1933 dividend scale and have announced a further increase for 1934 is evidence, not merely of a desire to show the greatest possible liberality to policyholders, but also of a belief that the financial position of the company is developing satisfactorily.

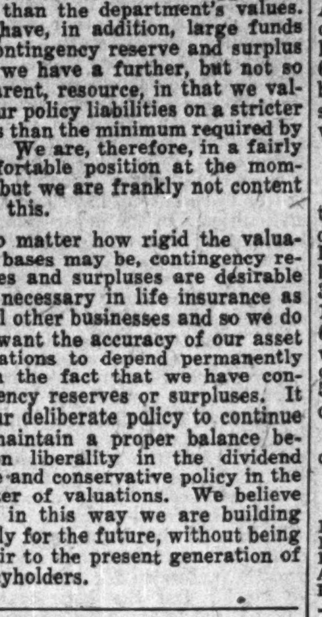
How Increases Made

The increases made in the dividend scales of 1933 and 1934 were accomplished by the simple process of restoring to the contribution formula a portion of the interest profit factor which was omitted in 1932. This, of course, is entirely consistent and fair. The result of continuing the programme will be that a policy issued in 1932 will enjoy a dividend scale throughout its history which will show practically no diminution whatever because of the investment depreciation which took place prior to its date of issue.

The increase made in the 1934 dividend scale will be accompanied by a considerable provision for the investment situation. It is well known that a departure has been made from market values by the Department of Insurance in its valuations of securities. That was wise and proper. This company does not, however, value its investments on the basis of the authorized values, but on our own estimate of their intrinsic worth, taking care that our values are in the aggregate less than the department's values. We have, in addition, large funds in contingency reserve and surplus and we have a further, but not so apparent, resource, in that we value our policy liabilities on a stricter basis than the minimum required by law. We are, therefore, in a fairly comfortable position at the moment, but we are frankly not content with this.

No matter how rigid the valuation bases may be, contingency reserves and surpluses are desirable and necessary in life insurance as in all other businesses and so we do not want the accuracy of our asset valuations to depend permanently upon the fact that we have contingency reserves or surpluses. It is our deliberate policy to continue to maintain a proper balance between liberality in the dividend scale and conservative policy in the matter of valuations. We believe that in this way we are building wisely for the future, without being unfair to the present generation of policyholders.

Joint Managers



A. H. VALLANCE
STANLEY M. ELLIOTT
Who have been appointed joint managers of the Phoenix Insurance Co. of Hartford with headquarters at Montreal. They succeed J. W. Tatley, who has retired.

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE AUTOMOBILE WINDSTORM
Insurance in force over $250,000,000.00
Total Assets over 3,000,000.00
Agents required in Ontario
Write Eastern Branch, 2 Toronto St., Toronto, Ont.
THE WAWANESA MUTUAL INSURANCE CO.
Head Office—Wawanesa, Man.

Heavy Drop Hail Volume Losses Normal

A loss ratio of 47.8 per cent is reported for joint stock experience in hail insurance in Canada in 1933, according to returns from member companies of the Canadian Hail Underwriters' Association. Last year's ratio was 35.7 per cent, while in 1931 almost 81 per cent was of premiums paid out in losses by these companies.

A feature of 1933 was the exceptionally favorable experience in Alberta, where the loss ratio was only 19.3 per cent. On the other hand, in Manitoba a loss ratio of 69 per cent was experienced, this being the heaviest loss for any year since 1921 and 1922. Saskatchewan loss ratio was 59.3 per cent.

Premiums Drop Heavily

The most important feature of the year's operations was the very drastic decline in premium income. Last year returns from the 49 member companies amounted to $855,361, as compared with $308,783 in 1933. This is a decline of roughly 64 per cent in volume of business written. Average premium for companies in the three provinces is 5.82 per cent with loss cost 2.78 per cent.

The figures for individual provinces are as follows:

Hail Experience of C.H.W.A. by Provinces

	Man.	Sask.	Alb.
Net prems.	$34,209	$177,264	$97,310
Net losses	$23,593	$105,161	$18,776
Ratio	68.96%	59.3%	19.3%
Aver. prem. ...	$4.52	$5.64	$6.98
Loss cost	$3.11	$3.25	$1.33

For Income
Our Fully Paid-Up Certificates Pay 5% Compound Interest
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Winnipeg, Man.
Branch Offices:
SASKATOON EDMONTON
CALGARY VANCOUVER

Purvis Joins Boards Of Liverpool Insurance

From Our Own Correspondent

MONTREAL. — Arthur B. Purvis, president and general manager of Canadian Industries has been elected to the Canadian board of the Liverpool and London and Globe Insurance Co. and has also been appointed a director of the associated companies—the Liverpool-Manitoba Assurance Co., the Globe Indemnity Co. of Canada and the National-Liverpool Insurance Co.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE WASHINGTON
BRANCH OFFICES
Toronto
Ottawa
Vancouver
Victoria
Edmonton
Calgary
Saskatoon
Winnipeg
Montreal
Quebec City
St. John
Halifax
HEAD OFFICE FOR CANADA
HAMILTON ONTARIO
WRITING FIRE AND AUTOMOBILE
INSURANCE AT COST. ASSETS $4,616,449.70
ALL POLICIES NON-ASSESSABLE, PAYING DIVIDENDS RANGING FROM 20% TO 30%

Full Protection • Complete Security
PORTAGE policies measure up to all the tests of sound insurance... adequate indemnity, supported by ample resources and the solid assurance of quick settlement in case of claim.
Reinsurance effected through Lloyds of London, England.
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PORTAGE MUTUAL INSURANCE CO. — MUTUAL SERVICE WITH SECURITY — Est. 1884
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Portage la Prairie, Man.
[Fire - Automobile - Burglary - Windstorm - Plate Glass - Sprinkler Leakage]
TORONTO VANCOUVER EDMONTON MONTREAL

the sales manager was annoyed . . . .

THE sales manager of one of Canada's great manufacturing companies was annoyed. Moreover, he didn't care who knew it. "Put me down for a personal subscription to your paper," was his brief opening remark to one of our representatives on a recent call. It developed that the general manager of the company was the cause of his annoyance, he having given in recent months orders that this particular business newspaper (oh, yes, the firm has been a regular subscriber for years) should be delivered to his desk immediately upon its arrival. There he kept it, read it, clipped it and refused to permit its removal. No wonder the sales manager wanted a copy of his own.

This high executive, whose name is available upon request, like his chief and hundreds of other key men across Canada, depends upon the LEADING business newspaper in his particular field for coast-to-coast news of his trade. He wants to know what competitors are doing — and there is no other source of dependable information. He is interested in price trends, business changes, in new merchandising methods, in activities of trade organizations. He wants to keep in touch with the ever-shifting fortunes of chains, department stores and independent merchants. In a word, he wants a crisp, summarized, accurate and timely word picture of the trade in which his fortunes are cast — the essential, vital information without which he can't do business intelligently.

Because of this intense reader interest of key executives in LEADING business newspapers, advertising messages directed to these men in their pages have extraordinary pulling power — actually create sales of office and plant equipment in a volume and with an economy that is amazing. The eleven business newspapers noted below are LEADING papers. Write the individual publication for its own story.

Hardware and Metal, Canadian Grocer, Dry Goods and Stylewear Review, Men's Wear Merchandising, Bookseller and Stationer, Sanitary Engineer, General Merchant of Canada, Canadian Paint and Varnish Magazine, Drug Merchandising, Canadian Hotel Review and Restaurant, Le Prix Courant (Printed in Montreal)

All Published by Business Newspapers Division, The MacLean Publishing Company, Limited, 481 University Ave., Toronto 2, Canada

Bank Chat on Current Topics

Bank Says "Merry Xmas"

THE oft repeated charge that a bank branch is a tombstone in an otherwise bright business street cannot be validly held against the Imperial Bank branch at Bloor and Yonge Streets, Toronto.

The major portion of the front of the bank is clear glass, the structure being designed in somewhat modernistic manner for beauty and good lighting.

Inside the bank is an enormous Christmas tree gaily decorated with electric lights, festoons, garlands, bells, etc. Flanking the tree are huge silver wreaths.

During the past two weeks this branch has been the brightest and most effective spot in a busy business district.

* * *

Who Hold Bank Shares?

FINANCIAL institutions are generally considered to be a fair mark by the disgruntled politician and amateur economist. While the banks, trust and loan companies and insurance companies have repeatedly stated that they are handling not their own funds but the funds of many small investors the feeling still exists on the part of those who would revise the entire capital structure of the country that the financial institutions are the pawns of "capitalists." It is not infrequently indicated that eradication of these capitalists would be in the best interests of the country.

As shown in the recent Macmillan report on Banking the average shareholder of a Canadian bank holds 29.9 shares which represent, at present values, an average investment of $4,784. If this average investment is well above the amount saved by the average Canadian citizen and represents a small fortune to one who is unemployed, it is by no means large enough to make the holder of bank shares a capitalist in the generally understood interpretation of that much abused word.

Possibly the picture can be drawn in sharper perspective by analyzing the status of bank shareholders. A study made of the list of shareholders of one of the larger Canadian banks indicates that 823 shareholders are widows who hold an average of 24 shares each; 116 trusts for children hold an average of 13 shares each; 400 trusts, for others than children, hold an average of 32 shares and 636 estates hold an average of 33 shares. In the case of this one bank over 17 per cent of the shareholders can be classified as comparatively small investors who are dependent for income, in part at least, on their return from investment holdings. If the list of shareholders gave more information regarding shareholders it would probably show that many shareholders are retired workers who depend upon their shares for income in their declining years of well-earned rest. They are not capitalists in the true sense of the word.

* * *

Corporal of Finance

THERE are two clerks in the Chase National Bank who are very anxious to get ahead in the world, and one of them seems destined for a rapid rise, according to The Chase Magazine. After a recent minor promotion his less successful companion asked what he considered the reason that one had been advanced and not the other....

"I'll tell you the secret," replied the Man on the Way Up. "You should eat more fish. Give me five dollars and I'll buy you some of the fish my wife cooks for me."

The ambitious banker of the future handed over the money and was sent the fish. Next morning the two men met on their way to work.

"How did you get along?" asked the promoted one.

"Well, it was an awfully good fish," came the somewhat hesitant answer.

"Do you feel any different?"

"Well no, but five dollars was a lot to pay for a piece of fish, wasn't it?"

"There you are," said the success triumphantly, "your brain is beginning to work already!"

Staff Changes

The Imperial Bank of Canada announces the following staff changes:

S. T. SKENE, formerly accountant, London, Ont., recently acting manager at Chatham, Ont., is now attached to the insepection staff, head office, Toronto.

J. A. GROSKURTH, formerly manager, Richmond Hill, Ontario, has been appointed manager, Victoria Ave. branch, Niagara Falls.

D. L. McLELLAN, formerly in charge of Old Weston Road and Keele St., Toronto, branch, is being appointed accountant, London, Ont.

C. O. HODGKINS, retiring manager of the Brantford branch of the Royal Bank was tendered a dinner by some 50 customers and friends. F. Bain, Toronto, a former manager of the Royal Bank in Brantford and Mr. Duke, acting supervisor for the Royal Bank in the province of Ontario were present. To Mr. Hodgkins was presented a silver flower basket and to Mrs. Hodgkins a bouquet of roses.

The Bank of Montreal announces the following staff changes:

D. R. MACKAY has been transferred from Calgary to Bentley, Alta., as manager.

W. H. BEACOM, manager at Bentley, Alta., has been appointed manager at Hughenden, Alta.

M. W. BOND, manager at Hughenden, has been transferred to Vebreville, as manager.

WILLIAM J. RAPSEY, head office, after 41 years of active service with the bank, is proceeding on leave of absence prior to pension.

The Royal Bank announces the following staff changes:

R. E. HOLMES, supervisor's department, Toronto, has been appointed manager of Deloraine & Yonge branch, Toronto.

J. C. VRADENBURGH, Winnipeg, has been appointed manager at Osborne and Corydon branch, Winnipeg.

H. C. McLEAN, manager at Bridgetown, Barbados, has been appointed manager at Nassau.

H. S. RICHARDSON, manager at Hazenmore, has been appointed manager at Aneroid.

W. J. GARLAND, manager at Unity, goes to Estevan as manager.

E. J. LEICHESTER, manager at Kindersley, goes to Brock as manager.

R. B. IRONS, [illegible] goes to Estevan as manager.

W. J. ORAM, manager at Van Horne and Outremont branch, at Outremont, Que., goes to Victoria Ave. branch, Westmount, as manager.

C. T. MEDLAR, manager at Victoria Ave., Westmount, has been appointed manager at Stanley St. Branch, Montreal.

C. R. ROSS, assistant agent at New York, has been appointed second assistant manager at Montreal branch.

Branch Changes

Old Weston Road and Keele St. branch, Toronto, is being closed on December 30, 1933.

The Bank of Toronto is opening a branch office in the Bridge River area. Located at the Pioneer mine, the bank will serve the entire mining district thereabouts. Construction of the bank building is now under way and the branch is expected to be opened early in January.

Current Events in Banking World

Economists Discuss Lowering of Gold Cover On Dominion Note Issue

Cover of 25 Per Cent Was Approved by Economic Conference But With Specific Caution That Notes and Credit Should Not be Expanded Unduly

MIGHT LEAD TO EXTREME INFLATION

Issue of $104,000,000 of Additional Dominion Notes Would Permit Banks to Increase Investments and Loans by Theoretical $1,000,000,000 on Basis of October Liquid Ratio — Similar Gain in Deposits

Repercussions of Mr. Bennett's radio address of November 20 are still heard in the domestic and foreign press and Canadian economists and bankers have been studying the possible effects of the tentative suggestion that the Dominion government would be warranted in having $279,600,000 of notes outstanding on the basis of the gold reserves held at October 31 and a gold cover of 25 per cent. This ratio was approved at the Monetary and Economic Conference last June.

This would mean an increase of $104,700,000 of Dominion notes outstanding. Should all of these additional notes be issued and deposited with the banks and were the banks' ratio of cash to sight liabilities to remain at the Oct. 31 ratio of 8.96 per cent, the investment holdings and loans of the banks would be increased by over $1,000,000,000. Such an event does not appear to be a probability but is the extreme result of issuing the additional notes.

Mr. Bennett's Statement

While Mr. Bennett stressed the need for international monetary co-operation in order to bring about a return of normal international trade; stated his belief that a central bank in Canada would assist in regulating credit and currency within the country and in some measure assist in controlling our exchanges in foreign markets; and forthrightly said that destruction of the value of dollars in circulation would be committing Canada to a policy of economic ruin, he also suggested the following means by which money in circulation could be increased:

"At the end of October, Canada's gold reserves totalled $69,900,000. On the ratio of backing laid down by the World Economic Conference, this would warrant an issue of more than $279,600,000 in currency. Dominion notes outstanding at the end of October totalled $174,900,000, or more than one third less than the amount of currency which the Government might issue and remain within conservative lines. The Government could not deal lightly with its constitutional power to issue currency. The position that we have maintained during the depression is sufficiently sound to enable us to take immediate advantage of that more enduring confidence which will come when the world exchanges are stabilized."

Agreed To In London

The "ratio" referred to by Mr. Bennett was embodied in a resolution unanimously adopted by the sub-committee on Technical Monetary Problems at the Economic Conference. The resolution adopted by the Conference was as follows:

"That in order to improve the working of a future gold standard greater elasticity should be given to Central Bank legal cover provisions: for instance, in so far as the system of percentage gold cover is applied a minimum ratio of not more than 25 per cent should be considered as sufficient; similar elasticity should be achieved by appropriate measures where other systems are applied. However, such changes must not be taken as an excuse for unduly building up a larger superstructure of notes and credits; in other words the effect of this resolution should be to increase the free reserve of central banks and thereby to strengthen their position."

It is to be noted that the resolution specifically condemns the use of a 25 per cent ratio for unduly issuing new currency. The effect of the proposed ratio is to increase the free reserve of the central banks thereby among other things permitting greater freedom in controlling exchange. In a preceding resolution the sub-committee indicated its belief "that under modern conditions monetary gold is not required for internal circulation but as a reserve against Central Bank liabilities and primarily to meet external demands for payments caused by some disequilibrium on the foreign account."

Conference Resolution Sound

Bankers feel that the underlying motive of the resolution is sound but see danger ahead if the 25 per cent ratio is employed, contrary to the spirit of the resolution, in increasing monetary supply unduly. Mr. Bennett says: "The Government is seriously considering embarking upon an extensive programme of public works." It might be assumed that such works were to be paid for out of new Dominion notes issued under the 25 per cent ratio idea. New notes might also be used to meet Government deficits or retire Federal obligations outstanding. It is pointed out that additional notes might be put into circulation gradually, possibly over a three year period, and that the gold cover would not be reduced to 25 per cent since this would leave no margin of safety for unforeseen events. Gold cover of Dominion notes at October 31 was 39.98 per cent and reduction in the cover to 30 per cent would permit issuance of an additional $58,242,948 in Dominion notes, an increase of 33.2 per cent over notes outstanding to the amount of $174,945,972 at October 31, 1933.

Many "Ifs, Ands and Buts"

Economists see serious dangers in such a plan of additional note issue, even though it is admitted that there are so many "ifs, ands and buts" that it is probable that additional notes would not be issued until the gold cover was down to a bare 25 per cent.

The manner in which the additional notes were issued and the time factor would both be important. The banks might increase their reserve ratio which averaged 9.5 per cent and which has been at approximately this level for the past six years excepting only the November and December ratios which are higher as a result of window-dressing by the banks for year end statements. In order to indicate the results of issuing additional currency the accompanying figures presume that the maximum of additional notes is issued and that the banks retain their reserve ratio of October 31. While such a situation is not considered probable in view of Mr. Bennett's statements regarding "sound money," the figures indicate the extreme to which such a policy of additional note issue might go. Economists believe that if the banks were forced to increase their investments and loans by $1,000,000,000 conditions in Canada would only be paralleled by the period of inflation in France and Germany following the war.

On the basis of gold holdings of the Minister of Finance at October 31, 1933, less the amount held as reserve against postal savings bank deposits, it would be possible to issue a total of $279,826,710 of Dominion notes, an increase of $104,980,737 in notes in circulation and retain a gold cover of 25 per cent.

Presuming that the new notes would be deposited to the credit of the Dominion at once, or over a period of time the statement of the chartered banks for October 31, 1933, which is taken as a definite example would be changed to the extent that cash would be increased from $219,500,000 to $324,500,000 and balances due to the Dominion and the Provinces would be increased from $112,200,000 to $217,200,000. This is only an intermediate step, however.

Presumably the Dominion would draw on its account to pay contractors or retire its obligations, but this would merely mean a transfer of credit from the Dominion to depositors. A comparatively small part of the increase in note issue might remain in the hands of the public and the banks would naturally have to invest their surplus funds in their hands. Possibly the first step would be to reduce advances under the Finance Act to $35,000,000 while the banks would retain some $318,200,000 in cash.

Ratio Is Under 10 Per Cent

For some six years the ratio of cash held by the banks to net quick liabilities has ranged between nine per cent and 10 per cent. Prior to that time the ratio was over 10 per cent while the monthly average in 1932 was 9.5 per cent. On the basis of the October 31, 1933, ratio of 8.96 per cent, cash holdings of $318,200,000 would mean that the banks would have sight liabilities of $3,551,300,000, comprised chiefly of savings and demand deposits. Investments would be similarly increased. For the sake of simplicity the increase in loans and investments in the third column of the accompanying table shows the increase in security holdings only but it is fair to assume that part of the increase would be in commercial loans.

The changes that would take place in the consolidated statement of the banks if $104,980,737 of additional notes were added to the amount in circulation on October 31, 1933, and this addition was used as the banks' cash reserve for the creation of new deposits resulting from the banks' purchases of securities are shown as follows:

EXISTING ARRANGEMENTS FOR DOMINION NOTE ISSUE

Authority	Dominion notes issued At Oct. 1, 1933	Gold required	Gold on hand	Percentage of gold held against notes
Chapter 4, 1915	$26,000,000	none	none	nil
Finance Act R. S. 1927, Chapter 70	42,594,000	none	none	nil
Dominion Notes Act, R. S. 1927, Chapter 41	106,351,973	$68,851,973	$69,956,678	65.77%
Total Issue	$174,945,973	$68,851,973	$69,956,678	39.98%
ARRANGEMENTS FOR NOTE ISSUE WITH 25% GOLD BACKING				
New legislation	$279,826,710	$69,9[illegible]6,678	$69,956,678	25%

Increase of notes—$104,980,738.

Condensed Consolidated Condition Statement of Canadian Chartered Banks
(In Millions of Dollars)

	Actual at Oct. 31, 1933 $	First step $	Possible Final result $
Assets			
Cash in Canada and abroad	219.5	324.5	318.2
Total loans and investments:			
Loans in Canada and abroad	1,389.8	1,389.8	1,389.8
Total securities	881.7	881.7	1,886.1
Total bank credit	2,271.0	2,596.0	3,275.9
Inter-bank assets	200.6	200.6	200.6
Other assets	177.1	177.1	177.1
Total assets	2,868.7	2,973.7	3,971.8
Liabilities			
Bank notes in circulation	133.0	133.0	133.0
Advances under Finance Act	41.3	41.3	35.0
Deposits in Canada and abroad	2,161.7	2,161.7	3,271.1
Balances due Dominion & provinces	112.2	317.2	112.2
Total sight liabilities	2,448.2	2,553.2	3,551.3
Balances due to banks	44.5	44.5	44.5
Capital and reserve	306.5	306.5	306.5
Other liabilities	69.5	69.5	69.5
Total liabilities	2,868.7	2,973.7	3,971.8

COMPUTATION OF RESERVES
(In Millions of Dollars)

Cash in Canada and abroad	219.5	324.5	318.2
Less: Advances, Finance Act	41.3	41.3	35.0
"Owned cash" in Canada and abroad	178.2	283.2	283.2
Total sight liabilities	2,448.2	2,553.2	3,551.3
Less: Advances, Finance Act	41.3	41.3	35.0
Net sight liabilities	2,406.9	2,511.9	3,516.3
Percent. of cash to sight liabs.	8.96%	12.7%	8.96%
Percent. of "owned cash" to net sight liabs.	7.40%	11.27%	8.05%

Increase of bank credit—$1,103,100.000

Finance Act Advances High As Year Ends

Advances under the Finance Act advanced sharply during November as several of the banks ended their fiscal year. From $42,594,000 at the end of October, advances increased to $60,444,000 at the end of November. Advances reach a peak for the year in this month but this year are lower than the total of $65,144,000 outstanding at the end of November, 1932, and $66,000,000 in 1931.

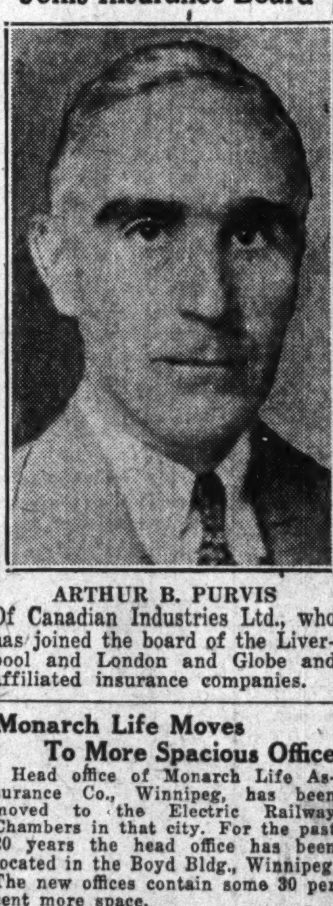
Dominion notes in circulation increased to $182,761,059 at the end of November from $174,945,972 at the end of October. The gold reserve against notes outstanding dropped to 36.22 per cent from 39.98 per cent at the end of October. While notes outstanding increased, largely due to advances to the banks under the Finance Act, the amount of gold held as reserve against notes was slightly lower.

Gold holdings at the end of November were as follows:

Gold Held by Minister of Finance

Against savings bank deposits (10% on $22,981,120)	$2,298,112
Against notes as required by Dominion Notes Act, R.S., 1927	68,817,059
In excess of statutory requirements	1,014,737
	$72,129,907

Joins Insurance Board



ARTHUR B. PURVIS
Of Canadian Industries Ltd., who has joined the board of the Liverpool and London and Globe and affiliated insurance companies.

Canadians Show Up Well In Insurance Institute Exams

Results of examinations conducted by the Insurance Institute of America, for the affiliated institutes on the continent are given in the October issue of the association's organ.

The Institutes in Canada have made a splendid showing. A total of 1,513 students were registered for the year, of which 272 were from Canada, members of the Insurance Institute of Winnipeg, the Insurance Institute of Vancouver, and the Canadian Institute of Insurance (correspondence course). A total of 248 graduated, thus completing a three-year course in one of the branches of insurance. Of these 18½ per cent were from Canada; 23 from the Winnipeg Institute, 13 from the Vancouver Institute and 10 from the Canadian Institute (correspondence course).

It is hoped that some day there may be established an "Insurance Institute of Canada" which will include the institutes in Montreal, Toronto, Winnipeg and Vancouver, as well as others that might be formed.

Monarch Life Moves To More Spacious Office

Head office of Monarch Life Assurance Co., Winnipeg, has been moved to the Electric Railway Chambers in that city. For the past 20 years the head office has been located in the Boyd Bldg., Winnipeg. The new offices contain some 30 per cent more space.

Established in 1906, the company now has total assets of approximately $11,000,000 and growth of the company has brought with it a need for larger offices. New business written in 1933 is reported to be in excess of that of 1932 and the record for the last two-month period is the best for several years.

Guelph Life Underwriters Elect New 1934 Officers

Thomas H. Blow, Ontario district manager, Ontario Equitable Life was elected president of the Guelph Underwriters' Association at its annual meeting last week.

Other officers elected were: H. J. Jamieson, Manufacturers Life, 1st vice-president; J. R. Keast, Prudential Ins. Co., N.J., 2nd vice-president; T. G. Colley, Canada Life, sec.-treas.

The executive committee is as follows: John Montgomery, Continental Life, R. B. Freure, London Life; Geo. Chapman, Mutual Life.

Life Sales in November Highest in 16 Months

Sales of ordinary life insurance in Canada and Newfoundland in November were the highest in any month since July, 1932, according to figures prepared by the Sales Research Bureau of Hartford. The total of $34,185,000 is not only the best monthly figure in 16 months but it is slightly higher than the corresponding figure of November, 1932.

For the year to date over $326,000,000 of life insurance has been paid for by the 14 companies which have on their books 83 per cent of total business in Canada. This is $43,800,000, or 11.8 per cent below the corresponding total for the first 11 months of 1932. This is the third successive month that has shown a gain as compared with the same figure a year ago.

Four Areas Gain

By areas British Columbia and Newfoundland share honors, the gain in the latter country being 9.5 per cent and in British Columbia, 6.8 per cent. Quebec and Ontario also showed gains of 3.3 per cent as compared with November of 1932, which were more than sufficient to offset considerable losses in the West and the Maritimes.

Compared with the United States, Canada continues to make a favorable showing since ordinary life sales in that country were down 3 per cent in November and the cumulative figure for the year is down almost 15 per cent.

Comparative figures follow:

Life Insurance Sales in November

	1933	1932	% Change
Alberta	1,390,000	1,558,000	—10.8
B. Columbia	2,101,006	2,024,000	+ 6.8
Manitoba	1,934,000	2,112,000	— 8.4
N. B.	802,000	814,000	— 1.5
N. S.	972,000	1,117,000	—13.0
Ontario	14,944,000	14,461,000	+ 3.3
P.E.I.	97,000	137,000	—29.2
Quebec	10,226,000	9,895,000	+ 3.3
Sask.	1,370,000	1,621,000	—15.5
Newf'land	289,000	264,000	+ 9.5
Total	34,185,000	34,003,000	+ .5

BRUCK SILK MILLS BUSINESS ON HAND KEEPS PLANT BUSY

Capacity Operations Until June — Enter British Market

From Our Own Correspondent

MONTREAL.—Bruck Silk Mills has sufficient business on hand to keep the plant running three eight-hour shifts daily for the next five or six months, according to a statement made by I. I. Bruck, president, at the shareholders' annual meeting.

At present the company has in its employ between 750 and 800 employees and in another couple of weeks the payroll will be up to 850 employees. Another new addition to the plant will be completed by January 15.

Considerable money is being spent by the company in improvements which should be reflected in earnings, stated Mr. Bruck. These improvements are being paid for out of earnings, as the directors did not care to borrow for the purpose. During the past year, he said, $113,000 had been paid out of earnings on plant improvements and extensions.

More attention is being paid by the company to the English market. In outlining this development, Mr. Bruck said American producers had formerly received a major part of the United Kingdom market, but increasing costs under the N.R.A. and the British preferences gave the Canadian producers an opportunity of obtaining the business. The company has appointed a permanent sales representative in the English market.

In respect to dividend payments, the president told the shareholders that a dividend of 25 cents a share had been declared. Further dividends would be considered by the directors when they were in a position to see what the earnings of the company were in the periods. He was confident that the money for dividends would be earned, but it was not felt advisable to have the company committed to a definite rate.

Processing Sugar Beets

Canadian Sugar Factories Limited, at Raymond, are now slicing 1,200 tons of beets per day and will continue to operate until January 12. A pre-Christmas distribution of $123,000 to beet growers has been made. This follows payments made on Nov. 1 of $460,000 and on Nov. 16 of $34,000, while on Dec. 6 another $45,000 was paid for beets still in silo in the fields.

Weekly Bank Clearings

	Dec. 14 1933 $	Change year ago %	Dec. 7 1933 $
Halifax	1,905,496	+9.9	2,342,347
Saint John	1,398,882	—1.4	1,789,946
Sherbrooke	460,152	—20.9	635,072
Quebec	3,199,477	—12.2	4,785,366
Montreal	67,458,027	+7.3	125,684,694
Ottawa	3,607,666	+13.5	4,297,419
Kingston	459,791	—1.9	613,918
Peterborough	542,978	—11.3	614,297
Toronto	80,054,420	+11.7	107,580,912
Hamilton	3,175,056	+10.3	3,981,545
Kitchener	805,096	—3.2	1,086,523
Brantford	600,742	—9.0	882,138
London	2,074,547	+4.7	2,539,573
Chatham	448,339	+15.2	469,383
Windsor	2,017,367	+17.2	2,004,687
Sarnia	352,443	+20.3	460,895
Sudbury	612,263	+48.0	586,221
Moncton	754,258	+14.7	788,853
Ft. William	505,601	+7.1	682,454
Winnipeg	34,611,949	+9.3	47,919,184
Brandon	258,325	+5.8	354,555
Regina	2,770,000	+10.9	3,775,969
Moose Jaw	445,445	+3.0	560,665
Saskatoon	1,086,880	—0.7	1,488,216
Pr. Albert	227,538	+2.8	292,232
Edmonton	3,378,747	+0.2	4,461,686
Calgary	4,222,841	—13.2	5,131,918
Medicine Hat	186,982	+20.4	249,139
Lethbridge	397,585	+18.6	439,506
N. W'minster	398,198	+5.0	490,234
Vancouver	11,611,573	+5.5	15,471,294
Victoria	1,338,396	+21.5	1,658,977

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Foreign Exchange

AN UNUSUAL occurrence marked the foreign exchange value of the Canadian dollar in the week ended Dec. 18. Canadian currency dropped from a premium of one per cent to par in the United States, but refused to stay down. Or the American dollar refused to stay at a premium in Canada.

Development of strength in the pound sterling appears to have accounted for the recovery of the Canadian dollar. Again this was really more due to weakness of the American dollar, but was marked by a rise in the sterling quotation in Canada and the United States. A significant development was that it was intimated in London that a currency depreciation contest with the United States would be avoided. The steps which may be taken by Great Britain to protect its domestic market from dollar depreciation, if necessary, will apparently be tariff reprisals.

* * *

FROM the Canadian viewpoint, therefore, further depreciation of the American dollar could have peculiar effects. If such depreciation develops, it is possible that Britain might raise tariffs against American goods. At the same time the Canadian dollar might be carried down in London, and might not have the same barriers erected against our goods. The possibility in such a situation would be that our increasing exports to Great Britain might be further encouraged at the expense of the United States.

FOREIGN EXCHANGE

New York Funds

	High (Discount) %	Low %	Last Year High (Premium) %	Last Year Low %
Dec. 12	1-16	7-8	16 1-4	15 1-2
Dec. 13	....	....	16 5-16	15 3-4
Dec. 14	1-8	1-2	15 3-4	15 1-4
Dec. 15	1-2	7-8	15 5-8	14 3-4
Dec. 16	3-8	3-4	14 5-8	13,5-8
Dec. 18	7-8	7-16	14 1-2	14 1-4

STERLING, FRANCS AND LIRE

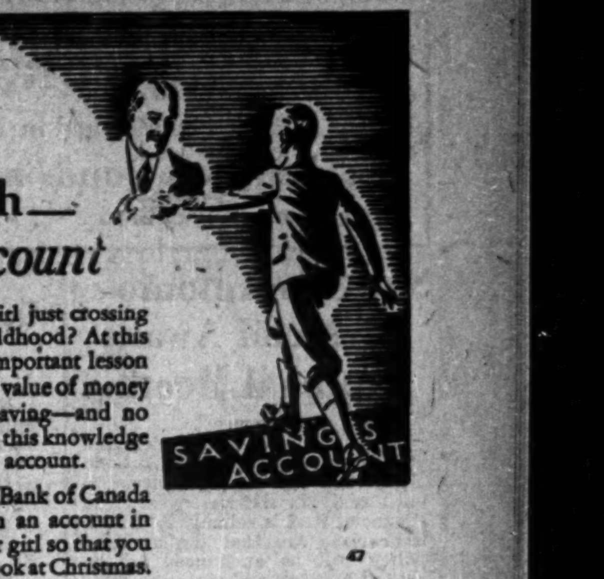
Close: Demand in New York

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Dec. 12	5.08	.0608	.0822
Dec. 13	5.03 1-2	.0601	.0804 1-2
Dec. 14	5.09	.0611	.0816
Dec. 15	5.12 1-2	.0615	.0827
Dec. 16	5.12	.0614 1-2	.0826
Dec. 18	5.15	.0619 1-2	.0833

Close: Demand in Toronto

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Dec. 12	5.05	0.0603 1-2	0.0813
Dec. 13	5.04	0.0601	0.0807
Dec. 14	5.09 1-2	0.0610 1-2	0.0820
Dec. 15	5.08 1-4	0.0609	0.0818
Dec. 16	5.10	0.0611 1-4	0.0823
Dec. 18	5.11	0.0615	0.0826

	Reichsmarks	Belga	Yen
Gold Par	$0.238	$0.139	$0.498
Dec. 12	0.3698	0.2149	0.3123
Dec. 13	0.3700	0.2140	0.3100
Dec. 14	0.3726	0.2173	0.3100
Dec. 15	0.3714	0.2164	0.3123
Dec. 16	0.3743	0.2177	0.3127
Dec. 18	0.3756	0.2184	0.3123



A Gift to Youth — a Savings Account

Have you a boy or a girl just crossing the borderline from childhood? At this age there is no more important lesson than instruction in the value of money and the wisdom of saving—and no better way of imparting this knowledge than through a savings account.

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BRANCHES THROUGHOUT CANADA

Further Decrease Noted In Commercial Failures

A considerable decrease in failures was recorded in October as compared with 1932. Liabilities of the assignors also showed a decrease. Commercial failures numbered 144, as compared with 199 in the same month of the previous year and 155 in September, 1933. The estimated liabilities of the assignors, amounting to $2,321,926 as compared with $3,439,220 in October, 1932, showed a large decrease; when compared with $2,344,568 in September of this year a slight decrease is also noted. More than half of the October failures were trading establishments.

The cumulative total of commercial failures for the first ten months of 1933 was 1,729 as compared with 1,995, 1,807 and 1,941 for the same periods of 1932, 1931 and 1930 respectively.

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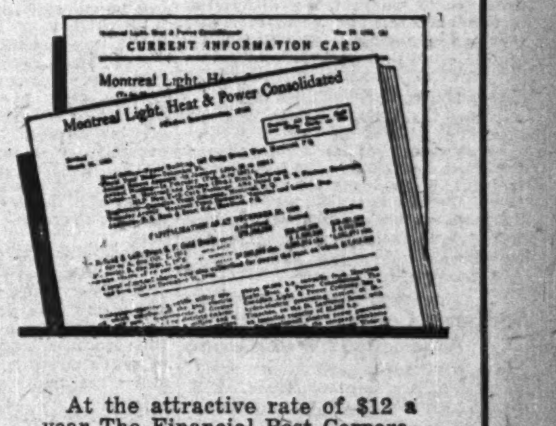

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Say San Antonio Dividend Awaits Annual Meeting

The initial dividend anticipated before the year end by San Antonio Mines will not likely be declared until early in the next year, The Financial Post is reliably informed. Indications are that the dividend policy will be announced at the annual meeting and since the company's fiscal year ends December 31, this is taken to be not later than February.

Ore developments during the current year are known to have been of a most satisfactory nature and those close to officials believe that the ore reserves will be doubled in the forthcoming annual report. Milling has been held close to the 150-ton capacity, but with ore developments so satisfactory it is expected that early in 1934 will see preparation made for doubling the milling programme.

Plans are now being considered for a new No. 3 shaft to serve the increased production programme. On the 450 ft. level the No. 26 vein has been developed for a length of 500 ft. with both faces in ore, while on the 300 ft. horizon some 300 ft. of drifting has been in ore. The next approach to this ore zone will be from the 600 ft. level.

Royalite Acquires Control McDougall-Segur Wells

At a meeting of shareholders of McDougall-Segur Exploration Co. of Canada held in Calgary last week, approval was given for the disposal of the limestone production rights of its subsidiary company, New McDougall-Segur Oil So., to the Royalite Oil Co., in consideration of 8,000 Royalite shares. Under the terms of the agreement McDougall-Segur has transferred its leases and production rights in and below the limestone formation including its present producing wells to Royalite.

New McDougall-Segur Oil Co. holds leases on 140 acres, in section 12, township 20, range 3, in Turner Valley on which four wells have been drilled, three of which reached production.

McMillan Gold Encounters Vein 11 Ft. Wide at 625 Ft.

An official announcement of the cutting of the downward extension of the No. 1 vein at the 625-ft. level at McMillan Gold Mines in the Sudbury area, has been made.

The vein proper has a width of 9.5 feet, well mineralized, and contains considerable free gold. The rock foot wall consists of diabase which is well mineralized for two feet and contains some fine free gold. The vein consists of blue quartz containing free gold and streaks of massive to heavy arsenopyrite. The gold is associated with the arsenopyrite in a mechanical way only, and tests carried on by the Ore Dressing Laboratories at Ottawa, the American Cyanamid Co. and the Southwestern Engineering Co., showed an extraction of 93 per cent to 98 per cent by straight cyanide treatment.

Drifting on the vein has been carried to the east for a distance of 55 feet with free gold showing in the last face. Channel sample results are not yet available but two grab samples gave assays of $4.60 and $18.60 respectively.

The vein is much wider and stronger than on the upper levels, and is the most important so far encountered in the mine.

Coniagas Mines Declares Second Liquidating Dividend

Another year end liquidating dividend has been declared by Coniagas Mines. Directors have just announced the declaration of dividend No. 60 of 12½ cents per share payable January 10, 1934, to shareholders of record December 30, 1933.

While earnings are known not to be sufficient to warrant the disbursing of dividends the policy initiated last year end of paying a liquidating dividend is being followed. Current assets in excess of current liabilities were $1,626,018 on December 31, last.

During the period between 1907 and 1924 when it was an operating company at Cobalt, it made 58 dividend disbursements. During this period it paid out in dividends $11,440,000, but when operation suspended in 1924 dividends were also suspended. Since that time the company has conducted exploration programmes and operated as a holding company.

Sudbury Contact Reports Assessment Work Done

In a progress report to shareholders of Sudbury Contact Mines, H. S. Denny, president of the company, says the properties in Bousquet and Cadillac townships, Quebec, have had assessment work completed for 1934.

On the Bousquet property a prospect shaft was sunk to 20 ft., showing some gold, but average samples were uncommercial. Plans call for further work next season.

Douglas A. Mutch has reported on the property and advised an initial diamond drilling programme of from 3,000 to 5,000 ft.

Cariboo Gold Quartz Has $400,000 in Cash

In an official statement the Cariboo Gold Quartz Mining Co. gave out the information that out of its 2,000,000 shares of $1 par value 1,278,493 were outstanding, leaving 721,507 in its treasury. The cash position of the company shows about $400,000 in the bank. Milling operations are continuing at about 65 tons of ore daily, producing $1,000 in gold. Directors state that no options are outstanding on treasury stock.

Buchans Output Off

Lead and zinc concentrates from the Buchans Mining Co. amounted to 774 cars, containing 17,969 short tons, as compared with 962 cars, containing 22,892 tons, in October.

Metal Prices

New York—December 19—
Copper: Electrolytic spot, £36; future, £37.
Silver: [illegible]c.
London—December 19—
(Long Ton)—
Copper: Electrolytic spot, £36; future, £37.
Standard spot, £33; future, £33 2s 6d.
Tin: Spot, £227 17s 6d; future, £227 17s 6d.
Lead: Spot, £11 5s; future, £11 12s 6d.
Zinc: Spot, £15, 2s 6d; future, £15 5s.
Silver: [illegible]d. per ounce.
Gold: [illegible]
Canada—December 19—
Gold: [illegible]

Dome Mines Defers Dividend Action

Dividend action by Dome Mines is being deferred until January 3, according to official advice, which says it was impossible to obtain a quorum of the board of directors prior to that date. Normally, Dome goes ex-dividend on December 31 with a dividend payable on January 20.

Dividends paid for the calendar year, 1933, amounted to the regular $1 per share plus a bonus of 80 cents, but it is expected that the bonus to be declared on January 3 will be not less than 25 cents per share, owing to the present high earning rate of the company.

SMELTERS RAISES EMPLOYEES' WAGES

Output Regulated by International Cartel — Prices Better

From Our Own Correspondent

VANCOUVER.—Activities of Consolidated Mining & Smelting Company with special reference to labor conditions were outlined to the Northwest Mining Association by T. W. Bingay, vice-president of the company.

Mr. Bingay said that as a result of higher metal prices, due to a rise in sterling, wages had been raised 28 cents a day.

"As metals go higher we will continue to boost wages," said Mr. Bingay, vice-president of the company.

We are operating our plant at 85 per cent of capacity in the lead department and 50 per cent in the zinc. We could go stronger, but we are bound by the production rates established in an international cartel, which cartel, we think, is a good thing to regulate output.

"What we are proud of is our labor record. We have a working co-operative committee and we have had no labor trouble since the committee got down to business in 1917. The committee discusses everything regarding labor conditions with the company. When wages were increased, the committee told us the merchants had increased their prices. We protested, but got nowhere. Then we started stores at Trail and Kimberley and maintained a community situation that made our wage boost really worthwhile to our employees. We are now investigating the price of bread.

Like 5½ Day Week

"At first the men protested against the five and one half day week. Now I do not think you could get them to go back to the old schedule of seven days. They feel that they will last longer and feel better with the shorter week.

"We charge each employee $2.50 a month, to which the company adds 30 cents, this affording medical attention, hospitalization and all special treatment for the whole family. We also maintain a pension plan and life insurance for our employees, starting them with $500 and building it up to $1,500.

"We found it was good business to have our employees own their own homes, so from 500 to 600 homes were built by the company. Even the legal work and architects' services were furnished gratis. On the home cost the employee was charged 6 per cent over a long period. The Consolidated has a $5,000,000 payroll at present, employing 3,800 men."

WARNS INVESTORS TO BUY EQUITIES

In view of the possible effects of an American monetary inflation on Canada, it would seem wise for investors to hold a larger portion than heretofore of their funds in secondary bonds and in equities, contends A. B. Fisher, of National Bond and Share Co., Toronto.

Mr. Fisher says, in part: "The inflationary movement in the United States seems to have been rather definitely established. Should this proceed further . . . there will of necessity be some corresponding rise in the general price level in this country, and you may have noticed a somewhat similar suggestion in a recent utterance by Premier Bennett. . . .

"Slowly rising prices have always been the natural result of any recovery from acute depression. This means that the purchasing power of fixed income from Government bonds will decrease, and it would seem to be sound policy at this time to maintain a reasonable proportion of one's funds in good secondary bonds and in sound equities . . .

"For purposes of liquidity and stability, wise investors will still diversify by maintaining some portion of their funds in high-grade government bonds, but if our theory is correct, the amount of 'high-grades' retained should not under existing conditions represent such a large proportion of the whole as heretofore."

Mutuals Seek to Insure Edmonton School Risks

Competition between mutual and tariff fire insurance companies has been keen for insurance on school buildings in Edmonton, amounting to some $937,000. C. E. Little, secretary of the fire insurance committee of the Trustees Association in the three prairie provinces, proposed that the board should give their business to three mutual companies who operated under an agreement with the Trustees' Association. It was stated that the rates offered by these companies were 20 per cent lower than rates of companies that are members of the Western Canada Fire Underwriters' Association, commonly known as board companies. The rate offered to the Edmonton school board by the mutuals was 61 cents per thousand on the basis that 40 per cent of the insurance be allotted to the mutuals.

The present rates charged by board companies is 77 cents per thousand as compared with 66 cents per thousand by the non-tariff group. C. H. Chapman, manager of Chapman-Slessor Agencies, representing the board companies, stated that revision of the rates for next year was being considered by the board companies in view of the fact that several new schools of superior construction have been built in Edmonton since 1932.

Decision by the Edmonton school board was deferred while the finance committee makes a study of the offers received.

Montreal, Toronto and Curb Markets

WEEK ENDING DECEMBER 18

Range 1933 High	Low	Divd. Rate	Yield in % Dec. 16	Stock	Sales	Close Dec. 11 (or last)	Week Ending Dec. 18 High	Low	Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* Quotations for 1932. † Quotations for 1931. ‡ No sales recorded in 1933 to date. § New York Quotations. ¶ Plus [illegible]. ** Unlisted Stocks also. x On account of arrears.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited) Investment Bankers, Toronto.

December 19, 1933

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	1.50	....
Acadia Sugar 6% pfd.	4.00	5.00
Acme Farmers Dairy 7% pfd.	....	25.00
Agnew Surpass 7% pfd. ex-div.	59.50	63.00
Allens London 7% pfd. bonus c.	34.50	....
Allens St. Cath. 7% pfd. bonus c.	34.50	....
Allens Toronto 7% pfd. bonus c.	19.50	....
Andian National Corp.	30.00	32.00
Atlantic Sugar A pfd.	81.00	86.00
B.C. Pulp & Paper pfd.	6.50	....
Burns pfd. bonus com.	3.00	6.00
Canada & Dom. Sugar	36.75	38.50
Canada Mach. c.	3.00	5.00
Canada Mach. pf.	18.25	....
Can. Packers c.	36.00	37.00
Can. Packers, pf.	97.00	101.00
Canada Starch c.	4.00	....
Canada Starch 7% pfd.	72.00	....
Canada Tea 7% pfd.	45.50	57.00
Canada Wire & Cable 6½% pfd. WW	58.00	62.00
Can. Industries com. A	119.00	....
Can. Industries com. B	118.00	122.00
Can. Industries 7% pfd.	125.00	128.00
Can. Westinghouse	42.50	45.00
Chase, A. W. Pfd. bonus c.	15.50	18.00
Claude Neon Gen. Adv. Units	3.00	5.00
Dom. Foundries & Steel c.	4.00	6.00
Dom. Foundries & Steel 8% pfd.	38.00	45.00
Dom. Manufacturers 7% pfd.	....	60.50
Dunlop Tire 7% pfd.	60.00	65.00
Eastern Dairies Ltd. 7% pfd.	11.00	18.00
Edmonton Stock-yards Units	....	50.00
Federal Grain 6½% pfd.	13.00	18.00
General Steel Wares pfd.	11.50	13.00
Goderich Elevator & Transit	5.25	6.50
Greening Wire 7% pfd.	45.00	52.00
Guelph Carpet c.	5.50	....
Inter City Baking com.	16.75	18.50
Inter. Proprietaries A	30.50	31.50
Loew's London c.	.30	.75
Loew's Lond. pfd.	3.25	4.25
Loew's Toronto 7% pfd.	55.00	59.00
Mansfield Theatres pfd.	15.00	....
Massey-Harris 5% pfd.	12.75	13.50
Mount Royal Hotel com.	.25	.75
Mount Royal Hotel 6% pfd.	2.25	3.25
Nat'l. Grocers c.	1.90	2.50
National Grocers 7% pfd.	91.00	95.00
Paramount Kitchener pfd.	31.00	....
Paramount Oshawa com.	2.00	....
Paramount Oshawa pfd.	35.00	....
Provincial Paper 7% pfd.	67.50	71.00
Reliance Grain 6½% pfd. ex-div.	35.50	40.00
Rolland Paper 6% pfd. WW	43.00	48.00
Serv. Stations A pfd.	25.00	35.00
Standard Clay Products c.	....	15.00
Standard Fuel 6½% pfd. bonus	68.50	....
Supersilk pfd. bonus	35.50	....
Supertest Petroleum B pfd.	18.00	21.00
Toronto Elevators 7% pfd.	86.00	88.00
Toronto Housing com.	11.50	....
United Corpns. Ltd. A	6.00	....
United Corpns. Ltd. B	1.25	....
United Grain Growers	9.25	11.00
Western Grain 6½% pfd. bonus	6.00	12.00

Ind. Stocks cont'd	Bid	Asked
Western Grocers pfd.	85.00	90.00
Willards Chocolates pfd.	13.50	17.00
Wood, Alex. & James pfd.	15.50	....
Zimmerknit c.	2.65	5.00
Insurance Stocks:		
Br. Amer. Assce.	23.00	....
Can. Life Assce.	420.00	435.00
Candian Fire Ins.	55.00	60.00
Confederation Life 20% pd.	121.00	127.00
Continental Life 20% pd.	35.00	....
Crown Life Ins.	96.00%	....
Dom. Fire Ins.	85.00	....
Dominion Life 50% pd.	155.00	....
Dom. of Can. Gen. Ins.	102.50	110.00
Empire Life 25% pd.	9.00	12.00
Excelsior Life 30% pd.	70.50	....
Federal Fire 25% pd.	36.00	....
Fidelity Ins. Co.	46.50	....
Great West Life Assce.	320.00	349.00
Guar. Co. of N.A. fully paid	200.00	225.00
Guar. Co. of N.A. 20% paid	39.00	....
Imperial Life	266.00	280.00
Mfrs. Life Ins.	210.00	225.00
Monarch Life 10% pd.	17.00	20.00
National Life 25% pd.	51.00	62.00
Saskatchewan Life 10% pd.	7.00	11.50
Sovereign Life 25% pd.	18.00	24.00
*Sun Life Assur.	400.00	428.00
Western Assur. c.	14.00	18.00
Western Life 20% pd.	9.00	12.00
Trust & Loan Stocks:		
Br. Mtg. & Trust	120.00	135.00*
Chartered Trust	54.00	60.00
Eastern Can. Sav. & Loan	111.00	115.00
Eastern Trust	135.00	141.00
London & Western Trust	....	45.00
Premier Trust	76.00	....
Sherbrooke Trust	100.00	109.00
Sterling Trust	....	45.00
Traders Finance 7% A pfd.	34.00	....
Victoria Trust & Savings	130.50	139.00
Waterloo Trust & Savings	90.50	110.00
Investment Trust Stocks:		
Can. Gen. Investments Ltd.	4.70	5.00
Can. Invest. Fund Ltd.	3.10	3.25
Can. Investors Corp.	5.00	6.50
Consol. Div. Standard Sec. pfd.	9.75	....
Debenture & Sec. com.	2.00	....
Debenture & Sec. 5% pfd.	11.00	....
Dom. & Anglo Invest. Units	155.00	....
Dom. Scottish Invest. Units	15.00	19.00
Sec. Holding Corp. pfd.	7.50	....
Security Loan & Savings	90.00	....
Power Issues:		
B.C. Elect. Pwr. & Gas 6% pfd.	96.50	99.50
Calgary Power 6% pfd.	76.00	79.00
Can. Light & Pwr. com.	16.00	20.00
Can. West. Nat. Gas LH&P pfd.	76.00	80.00
Maritime Tel. & Tel. com.	9.25	10.50
Maritime Tel. & Tel. 7% pfd.	10.75	12.00
N.B. Telephone c.	8.00	9.00
N.S. L&P c.	30.00	35.00
N.S. L&P 6% pf.	72.50	75.00

Recent London Quotations:
Brewers & Distillers ...... 9s.
Can. & For. Secs. .... 4s. 6d.
Can. West. Lumber .. 1s. 7½d.
Hudson's Bay 21s. 3d
Do., 5% pref. ...... 83s. 9d.
Internat. Holdings $1½
Nfld. Pr. & Pap. deb. stock B 5½% 96½
Tor. Sub'an 4½% deb. stk. .. 25

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)

December 19, 1933

Industrial Bonds:		Bid December 19	Asked December 19	Bid Dec. 12
Abitibi P. & P. 5% 1953	F	18.50	20.50	18.50
Abitibi P. & P. C.O.D.	F	16.50	17.50	16.50
Acadia Sugar 6% 1946		94.00	96.00	93.00
Alta. Pacific Grain 6% 1946		68.50	71.00	69.00
American Sales Book 6% 1939		97.00	....	97.00
Asbestos Corp. 6% 1941	F	29.00	31.00	29.50
Asbestos Corp. 5% 1942	F	45.00	....	45.00
B. A. Oil 5% 1945		99.00	101.00	99.00
B. C. Pulp 6% 1950	F	45.00	50.00	45.00
B. C. Pulp 7% 1950	F	11.00	....	12.00
Burns 5½% 1948	F	26.00	29.00	28.00
Can. Biscuit 6½% 1946	F	13.00	17.00	14.00
Can. Bread 6% 1941		91.50	92.50	92.50
Can. Cement 5½% 1947		78.00	80.00	76.00
Can. Steamship 6% 1941	F	14.00	17.00	17.00
Can. Canners 6% 1950		96.00	98.00	97.00
Can. Copper Refin. 6% 1945		104.00	105.50	104.00
Can. Cottons 5% 1940		94.00	96.00	93.00
Can. Vickers 6% 1947		49.00	52.00	47.50
Cons. Invest. 4½% 1959	F	53.50	55.00	52.00
Davies, Wm. 6% 1942		97.25	99.00	97.25
Debenture & Sec. 4% 1936		67.00	....	60.00
Dom. Tar & Chemical 6% 1949		62.00	65.00	61.00
Dom. Telegraph 5½% 1978 A		80.00	85.00	80.00
Dom. Textile 6% 1949		104.50	105.50	104.50
Dom. Woollens 6% 1948	F	21.00	....	20.25
Donnacona Paper 5½% 1948	F	23.00	25.00	23.00
Eastern Dairies 6% 1949		63.00	....	62.00
Famous Players 6% 1948		76.25	77.00	74.00
Federal Grain 6% 1949		65.00	68.00	65.00
Firestone Tire 7% 1937		104.50	106.00	104.50
Fraser Co. 6% 1932	F	40.00	42.00	41.00
Fraser Co. 6% 1950	F	25.00	28.00	25.00
Galt Brass 7½% 1941	F	25.00	....	25.00
General Steel Wares 6% 1952		55.00	58.00	54.00
Goodyear Cotton 6% 1949		103.00	104.00	102.50
Great Lakes 6% 1950	F	20.00	21.50	19.50
Gypsum, Lime & Alab. 5½% 1948		50.00	53.00	49.00
Hamilton By-Prod. 7% 1943		88.50	89.00	89.50
Harris Abattoir 6% 1947		101.00	103.00	101.00
Howard Smith 5½% 1953		34.00	35.00	34.50
Lake St. John 6½% 1947	F	72.25	74.00	72.25
Lake St. John 6½% 1942	F	9.50	11.00	9.50
Loew's Toronto 6% Serial		97.00	....	97.00
Maple Leaf Milling 5½% 1949		33.00	35.00	34.00
Massey-Harris 5% 1947		61.00	63.00	60.00
McColl-Frontenac 6% 1949		95.50	96.50	95.00
McKinnon Industries 6½% 1945		92.00	....	92.00
Mercury Mills 5½% 1953		53.50	55.00	53.50
Minn. & Ont. 6% Serial	F	7.50	8.50	7.50
Price Bros. 6% 1943	F	62.00	65.00	55.00
Provincial Paper 5½% 1947		87.00	88.50	87.00
Simpsons Ltd. 5½% 1949		72.00	74.00	72.00
Simpsons Ltd. 6% 1949		76.00	78.00	75.00
Steel of Canada 6% 1940		104.50	105.50	105.00
Stop & Shop 6% 1947		71.00	73.00	71.00
Toronto Carpet 6% 1944		90.00	....	90.00
United Corpns. 5% 1953	F	62.50	64.50	62.00
United Gas & Fuel 5½% 1948		63.00	66.00	63.00
United Grain Growers 5% 1948		73.00	75.00	68.00
United Grain Growers 5½% 1949		76.00	....	72.00
Wabasso Cotton 7% 1942		70.00	75.00	70.00
Western Grain 6% 1949		42.00	48.00	....
Public Utility Bonds:				
Bell Telephone 5% 1955		101.50	102.25	100.00
B. C. Power 5½% 1960		90.00	91.50	90.50
B. C. Telephone 5% 1960		94.50	95.75	94.50
Calgary Power 5% 1960		86.00	87.00	87.00
Can. Northern Pwr. 5% 1953		80.00	82.00	79.00
Duke-Price Pwr. 6% 1966		73.00	75.00	71.50
French Nat'l Mail S.S. 6% 1952		115.00	125.00	115.00
Gatineau Pwr. 6% 1941 A		67.25	68.00	67.25
Gatineau Pwr. 5% 1956		77.00	78.00	76.50
Maclaren-Quebec 5½% 1961		80.00	81.00	80.00
Manitoba Power 5½% 1951		32.00	35.00	32.00
Montreal LH&P 5% 1970		103.00	105.00	104.00
Montreal Tram. 5% 1941 July		95.00	97.00	96.00
Northwest Utilities 7% 1938		99.00	101.00	99.00
Ottawa Valley Pwr. 5½% 1970		99.50	102.00	100.00
Quebec Power 5% 1968		88.50	91.00	91.50
[illegible] Tramways 5% 1935		100.00	103.00	100.00
Shawinigan W. & P. 5% 1970		80.50	82.00	81.50
Shawinigan W. & P. 6% 1937		94.75	95.75	94.75
Southern Can. Pwr. 5% 1955		98.00	99.00	98.00
West Kootenay Pwr. 5% 1956		98.50	99.50	98.50
Realty Bonds:				
Albert Bay 6½% 1942		47.50	50.00	47.00
Balfour Bldg. 6% 1943		35.00	40.00	36.00
Bloor St. George 7% 1946	F	31.00	33.00	31.00
Clarendon Apts. 7% 1936	F	26.00	29.00	27.00
[illegible] Realty 5% 1949		88.00	90.00	88.00
Godfrey Realty 6% 1942	F	33.00	....	33.00
General Brock Hotel 6% 1948	F	18.00	....	18.00
London Realty 6½% 1950	F	42.00	44.00	41.00
Lord Nelson Hotel 4% 1947		42.00	47.00	42.00
Mayor Bldg. 6½% 1942		30.00	33.00	30.00
Metropolitan Bldg. 7% 1944		84.00	....	83.00
National Realty 7% 1945	F	24.00	....	24.00
Northern Ont. Bldg. 6½% 1939		71.00	73.00	71.00

Dividends Declared

	Present Annual rate	Amt. this payments	Date payable	Date of record
Agnew Surpass, pref.	7%	1¾%	Jan. 2	Dec. 18
Assoc. Breweries	...	25c	Jan. 2	Dec. 18
Do., pref.	$7	$1.75	Jan. 2	Dec. 15
Ajax Oil	8c	2c	Jan. 15	Dec. 30
B.C. Elec. Pr. & Gas pfd.	6%	1½%	Jan. 2	Dec. 20
Building Prod. "A" & "B"	$1	25c	Jan. 2	Dec. 20
Burt, F. N.	$2	50c	Jan. 2	Dec. 20
Do., pref.	7%	1¾%	Jan. 2	Dec. 15
Brantford Cordage, pfd.	8%	2%	Jan. 15	Dec. 15
Beatty Bros., 2nd pfd.	$7	$3.50	Jan. 2	Dec. 20
Brewers & Dist., c.	...	10c	Jan. 15	.....
B. C. Power, A	$1.50	37c	Jan. 15	Dec. 30
Brazilian Tr., pref.	6%	1½%	Jan. 15	Dec. 31
Bank of Nova Scotia	$12	$3	Jan. 2	Dec. 15
Brit. Amer. Oil (No. 15)	80c	20c	Jan. 2	Dec. 16
Belding Corticelli, c.	$4	$1	Jan. 2	Dec. 16
Bell Telephone	$6	$1.50	Feb. 1	Jan. 15
Bruck Silk Mills	..	25c	Jan. 15	Dec. 22
Calgary Power, c.	$6	$1.50	Jan. 15	Dec. 15
Can. Canners, 1st pfd.	$6	$1.50	Jan. 2	Dec. 15
Do., 2nd pref.	20c	5c	Jan. 2	Dec. 15
Do., extra	...	10c	Jan. 2	Dec. 15
Canada Trust	10%	5%	Jan. 2	Dec. 2
Can. Celanese, pref.	$7	$1.75	Dec. 30	Dec. 16
Do., on arrears	...	$1.50	Dec. 30	Dec. 16
Canadian Oil, pref.	$8	$2	Jan. 1	Dec. 16
Canada Northern Pr. c.	80c	20c	Jan. 25	Dec. 20
Do., extra	..	10c	Jan. 25	Dec. 30
Do., pref.	$7	$1.75	Jan. 15	Dec. 30
Can. Perm. Mortgage	$8	$2	Jan. 2	Dec. 30
Can. For. Invest., pfd.	8%	2%	Jan. 2	Dec. 15
Do., com.	50c	25c	Jan. 2	Dec. 15
Central Can. Loan	8%	2%	Jan. 2	Dec. 15
Consumers' Gas	$10	$2.50	Jan. 2	Dec. 15
Can. Gen. Electric	$3	75c	Jan. 1	Dec. 15
Do., pref.	$3.50	87½c	Jan. 1	Dec. 15
Cons. Mining & Smelting	$6	$1.50	Jan. 15	Dec. 30
Crown Trust	7%	1¾%	Jan. 2	Dec. 30
Colonial Nat. Gas units	$6	50c	Dec. 15	Dec. 15
Canada South. Rly. c.	$3	$1.50	Feb. 1	Dec. 29
Can. Cottons	$4	$1	Jan. 4	Dec. 22
Do., pref.	$6	$1.50	Jan. 4	Dec. 22
Can. Light & Power	$1	50c	Jan. 15	Dec. 31
Can. Wire Box	...	37½c	Jan. 2	Dec. 20
Coniagas Mines	...	12½c	Jan. 10	Dec. 30
Dominion Rubber, pref.	7%	1¾%	Dec. 30	Dec. 23
Dominion Bank	$10	$2.50	Jan. 2	Dec. 20
Dominion Bridge	$2	50c	Feb. 15	Jan. 31
Do.	...	50c	May 15	Apr. 30
Dominion Stores	$1.20	30c	Jan. 2	Dec. 15
Dominion Textile	$4	$1	Jan. 2	Dec. 15
Do., pref.	$7	$1.75	Jan. 15	Dec. 30
Dominion Glass	5%	1¼%	Jan. 2	Dec. 15
Do., pref.	7%	1¾%	Jan. 2	Dec. 15
Eastern Twps. Tele., c.	72c	18c	Jan. 15	Dec. 31
Eastern Steel Prod. pref.	7%	1¾%	Jan. 1	Dec. 15
Eastern Theatres pref.	7%	3½%	Jan. 31	Dec. 30
Fanny Farmer	$1	25c	Dec. 30	Dec. 15
Do., pref.	$2.40	60c	Dec. 30	Dec. 15
Falconbridge Nickel	...	5c	Dec. 29	Dec. 15
Freiman, A. J., pref	$6	$1.50	Jan. 2	Dec. 15
Goderich Elevator	..	*25c	Jan. 2	Dec. 15
Goodyear Tire	$4	$1	Jan. 2	Dec. 15
Do., pref.	$7	$1.75	Jan. 2	Dec. 15
Gurd, Chas., pref.	7%	1¾%	Jan. 2	Dec. 15
Great West Life	20%	5%	Jan. 2	Dec. 20
Highland Dairy, pref. (16)	$7	$1.75	Jan. 2	Dec. 23
Hunts, Ltd., "A" & "B"	50c	12½c	Jan. 2	Dec. 19
Ham. Un. Theatres, pfd.	$7	$1.75	Dec. 30	Nov. 30
Hollinger Gold	65c	5c	Dec. 30	Dec. 15
Do., extra	...	5c	Dec. 30	Dec. 15
Imperial Bank	10%	2½%	Feb. 1	Dec. 31
Inter. Nickel, pref.	7%	1¾%	Feb. 1	Jan. 2
Imperial Tobacco, c	35c	8¾c	Dec. 30	Nov. 29
Invest. Foundation, pfd.	$1.50	38c	Jan. 15	Dec. 30
Do., as arrears	...	12c	Jan. 15	Dec. 30
Intercolonial Coal	$1	50c	Jan. 2	Dec. 21
Do., pref.	$8	$4	Jan. 2	Dec. 21
Inter. Hydro Elec. pfd.	$3.50	87½c	Jan. 15	Dec. 26
Jam. Pub. Service	$1	25c	Jan. 2	Dec. 15
Do., pref.	$7	$1.75	Jan. 2	Dec. 15
Landed Bkg. & Loan	6%	1½%	Jan. 2	Dec. 15
Mercury Oils, pref.	...	4c	Jan. 2	Nov. 30
McColl-Fron., pref.	$6	$1.50	Jan. 15	Dec. 30
Mitchell, J. S., pref.	7%	1¾%	Jan. 2	Dec. 15
Model Oils	...	3c	Jan. 20	Jan. 2
Montreal L. H. & Pr.	$1.50	38c	Jan. 31	Dec. 31
Montreal Tramways	$9	$2.25	Jan. 15	Jan. 6
National Grocers pref.	...	‡$2.61	Jan. 1	Dec. 20
Niagara Wire Weav. pfd.	...	†75c	Jan. 6	Dec. 26
North Amer. Elevators, 1st pfd.	$7	$1.75	Dec. 1	Nov. 15
National Trust	$8	$2	Jan. 2	Dec. 21
Noranda Mines	..	$1	Dec. 30	Dec. 18
National Breweries	$1.60	40c	Jan. 2	Dec. 15
Do., pref.	$7	$1.75	Jan. 2	Dec. 15
Northern Ont. Pr. pref.	$6	$1.50	Jan. 25	Dec. 30
Do., com.	$2	50c	Jan. 25	Dec. 30
Ontario Loan & Deb.	12%	3%	Jan. 2	Dec. 15
Ottawa L. H. & Pr.	6%	1½%	Jan. 1	Dec. 15
Do., pref.	6½%	1⅝%	Jan. 1	Dec. 15
Ogilvie Flour c.	$8	$2	Jan. 2	Dec. 22
Page-Hersey Tubes	$3	75c	Jan. 2	Dec. 20
Do., pref.	$7	$1.75	Jan. 2	Dec. 20
Porto Rico Power, pref.	$7	$1.75	Jan. 2	Dec. 15
Premier Gold Min.	12c	3c	Jan. 15	Dec. 19
Pioneer Gold (B.C.)	60c	15c	Jan. 2	Dec. 8
Provincial Paper, pfd.	7%	1¾%	Jan. 2	Dec. 15
Royalite Oil	...	50c	Dec. 20	Dec. 5
Real Estate Loan	$5	$2.50	Jan. 2	Dec. 15
Riverside S. Mills A	$1	25c	Jan. 2	Dec. 15
Russell Motor, pref.	4%	1%	Feb. 1	Dec. 30
Silverwood's pref.	4%	1%	Jan. 2	Dec. 20
Standard Fuel pref.	$6.50	$1.62½	Jan. 1	Dec. 15
Supertest Pete., com. & ord.	$1	25c	Jan. 2	Dec. 15
Do., pref. A	$7	$1.75	Jan. 2	Dec. 15
Do., pref B	$1.50	37½c	Jan. 2	Dec. 15
Southern Can. Power, pfd.	$6	$1.50	Jan. 15	Dec. 20
Siscoe Gold Mines	12c	3c	Dec. 30	Dec. 15
Do., bonus	..	2c	Dec. 30	Dec. 15
Sterling Pac. Oil	...	*2½c	Dec. 22	Dec. 11
Sunshine Mining	...	5c&7c	Dec. 22	Dec. 7
Tamblyn pref.	$7	$1.75	Jan. 2	Dec. 23
Tip Top Tailors pfd.	7%	1¾%	Jan. 2	Dec. 15
United Gold Equities	...	*5c	Jan. 15	Jan. 1
Toronto Elevators, pref.	7%	1¾%	Jan. 15	Jan. 2
Toronto Mortgage	$6	$1.50	Jan. 1	Dec. 15
Toronto Gen. Trusts	$6	$1.50	Jan. 2	Dec. 16
Tuckett Tobacco, pref.	7%	1¾%	Jan 15	Dec. 30
United Securities	$2	50c	Jan. 15	Dec. 27
Whittall Can. pref.	6½%	1⅝%	Jan. 2	Dec. 15
Western Grocers, pref.	$7	$1.75	Jan. 15	Dec. 20
Wright Hargreaves	20c	5+5c	Jan. 2	Dec. 9
West Koot. Power pfd.	7%	1¾%	Jan. 2	Dec. 22

*Interim. †On arrears. ‡On account of arrears from Aug. 18, 1925 to Jan. 1, 1926.

Dividend Rate Reduced—
Canada Permanent Mortgage Jan. 2, $10 to $8 per annum.
B. C. Power, A. Jan. 15, $2 to $1.50 per annum.

Dividend Rate Increased—
Goodyear Tire, com., Jan. 2, $2.40 to $4 per annum.

Dividends Passed or Deferred—
Canadian Car pfd., due Jan. 2, passed. Last paid 43c. Oct. 10, 1933.

Dividends Resumed—
Bruck Silk Mills, 25c. Jan. 15. First payment since 25c. paid May 15, 1930.
Associated Breweries, 25c. Jan. 2. Last payment 15c. Deec. 31, 1932.
Brewers & Distillers, 10c. Jan. 15. Last payment 5c. July 15, 1929.
Associated Breweries, 25c. Jan. 2. Last payment 15c. Dec. 31,
Canadian Cottons, c. $1 Jan. 4. Last payment Jan. 1930.
Can. Wirebound Box 37½c Jan. 2. Last payment 25c. Oct. 1, 1932.

Listed Bond Quotations

Week Ending December 18, 1933

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1933 High	Low
Abitibi, 1st mtge.§	5	1953	...	19	...	...	18	13
Asbestos	5	1942	...	45	...	...	*65½	49
Can. Cons. Rub.	6	1946	...	†75	...	...	62	....
Can. Cottons	5	1940	8.11	94	...	...	84½	....
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Pr. (Laur.)	5½	1958	...	...	...	...	5	3
Do., (Way. Ser.)	5½	1958	...	...	...	...	*28½	5½
Can. S.S. Debs.	5	1943	...	66	...	...	*83¼	...
Cedars Rapids	5	1953	4.64	103	104½	...	108	104½
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dominion Coal	5	1940	...	...	...	...	37	...
McNish	6	1948	...	...	...	...	...	...
Mex. L. & Pr.	5	1940	...	3.50	3.50	3.25	3.50	1.00
Mtl. L.H.&Pr. debs.	3	1939	...	†59	...	...	*73½	70½
Mont. Tr. 1st mtg.§	5	1941	5.53	43½	44	43¾	47½	39½
Mont. Trams. A§	5	1955	7.58	...	...	...	98½	95½
Do., G. & Ref. B	5	1955	7.44	72½	73½	...	81½	58
Do., C	4½	1955	9.03	...	...	...	74½	73½
Do., D	5	1955	7.41	...	...	...	57	57
N. S. Steel	5	1959	...	...	...	...	77½	76½
Ontario Steel	6	1943	7.43	87½	...	...	*62½	58
Porto Rico Pr.	5	1936	...	...	...	...	90	80
Steel of Canada§	6	1940	...	...	...	...	*93	88
Wayagamack	6	1951	...	105	...	...	*102½	100
Winnipeg Elec.§	5	1935	...	75	...	...	*75	45
							79	75
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Canada	6	1940	...	...	...	...	*101½	...
Dominion Govt. Bonds (Montreal)								
War Loan§	5	1937	...	104.00	....	....	116.25	107.00
Do.	5½	1934	4.36	100.90	....	....	102.60	101.50
Do.	5½	1937	3.54	106.75	....	....	110.25	109.25
Do., refund	4½	1940	4.41	100.00	....	....	101.25	99.70
Do., refund	5	1943	4.62	102.50	....	....	104.90	101.85
Do., refund	4½	1944	4.50	99.35	....	....	100.50	98.25
Do., refund	4½	1946	4.50	99.35	....	....	*92.25	91.50
Do., renewal	4	1952	4.43	94.25	....	....	95.25	91.63
Do., refund	4	1945	4.48	95.12	95.60	....	96.50	96.50
Conversion Loan	4½	1956	4.57	98.25	....	....	100.70	97.00
Do.	4½	1957	4.57	98.25	....	....	99.00	96.00
Do.	4½	1958	4.60	98.12	....	....	100.75	97.75
Do.	4½	1959	4.56	99.12	....	....	108.87	97.75
Nat. Service Loan	5	1936	4.01	102.25	....	....	103.25	101.50
Do.	5	1941	4.62	102.50	....	....	103.75	100.75
Dom. Loan	4	1935	3.80	99.85	....	....	99.75	99.75
Unlisted:								
Cons. Paper	5½	1961	...	....	....	....	....	....
Can. For. Inv. deb.	7	1949	...	99	....	....	100.00	80.00

†Latest ask. ‡Quotations for 1930. *For 1931. *For 1932. None recorded in 1933 to date. §Payable in Canada and New York.

Active Unisted Bonds

	Bid	Asked	Bid Dec. 12
Richmond Bay 6½% 1947	63.00	65.00	64.00
Windsor Hotel 6% 1947	47.00	51.00	45.00
Government, Provincial & Railway:			
C. N. R. 4½% 1957 Dom. Gtd.	97.50	98.50	98.00
C. N. R. 5% 1969 Dom. Gtd.	104.75	105.50	104.75
C. P. R. 4½% 1944	74.00	75.00	72.75
C. P. R. 6% 1942	98.00	99.00	99.50
Dom. of Can. 5% 1936	102.25	102.75	102.25
Dom. of Can. 5% 1941	102.25	102.75	102.25
G. T. P. 3% 1962 Dom. Gtd.	83.50	84.25	83.50
G. T. P. 4% 1962 Dom. Gtd.	95.25	96.50	95.25
Ont. Hydro 3½% 1952 Ont. Gtd.	91.25	92.25	91.25
Ont. Hydro 4% 1957 Ont. Gtd.	92.00	93.00	92.00
Prov. of N. B. 5½% 1950	103.00	104.00	103.00
Prov. of Ont. 5½% 1946	106.00	107.00	106.00
Prov. of Ont. 5% 1948	102.00	103.00	102.00
Prov. of Ont. 4½% 1944	100.50	101.50	100.50

F—Traded without accrued interest.

Classified Advertisements

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Add five words when box number is required. Classified ads payable in advance.

Business Wanted

FIRM WITH LONG AND SUCCESSFUL manufacturing and selling experience is in a position to add a new line capable of national and export development. Will invest in or buy outright; preferably in old established business of high repute where owners are thinking of retiring. Address in confidence. Box 222, The Financial Post.

Meetings Reported

BE QUOTED correctly! At every gathering where it is desirable to record accurately all that has been said, let Stenotype Service take the responsibility. Mechanical shorthand is employed to ensure speedy, trustworthy verbatim reports. Conventions, club gatherings, boards of directors, political associations, etc., etc., can employ this service at all meetings with assurance of satisfaction. Fees are moderate. For further information write The Stenotype Reporting Bureau, 481 University Ave., Toronto.

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 30th December, 1933, making a total distribution of ten per cent for the current year—the Dividend will be payable at the Head Office of the Bank and its Branches on and after Tuesday, the 2nd day of January, 1934, to shareholders of record of the 20th December, 1933.

By Order of the Board,
DUDLEY DAWSON,
General Manager.
Toronto, 16th November, 1933.

The Canadian Bank of Commerce

The annual meeting of the shareholders of this Bank, for the election of Directors and for other Business, will be held at its banking house, No. 25 King Street West, Toronto, on Tuesday, the 9th day of January next. The chair will be taken at 11.30 o'clock a.m.

By order of the Board,
S. H. LOGAN,
General Manager.
Toronto, 24th November, 1933.

The Bank of Nova Scotia

Notice is hereby given that the Annual General Meeting of the Shareholders of this Bank will be held in the Banking House, Hollis and Prince Streets, Halifax, on Wednesday, the 24th January next, at eleven o'clock, a.m., for the purpose of receiving a statement of the affairs of the Bank, for the election of Directors and for other business.

By order of the Board.
J. A. McLEOD,
General Manager.
Halifax, N.S., December 15, 1933.

The Whittall Can Company, Limited

Dividend Notice

Notice is hereby given that a Dividend of One and Five-eighths per cent (1⅝%), being at the rate of Six and One-half per cent (6½%) per annum, on the Cumulative Convertible (Redeemable) Preferred Stock of the Company, has been declared, payable January 2nd, 1934, to Shareholders of record December 15th, 1933.

By order of the Board.
D. H. MACFARLANE,
Secretary-Treasurer.
Montreal, December 14th, 1933.

Silverwood's DAIRIES, LIMITED

DIVIDEND NOTICE

Notice is hereby given that a quarterly dividend of one per centum (1%), being at the rate of 4% per annum, has been declared on the Preference Shares of the Company, payable January 2nd, 1934, to shareholders of record at the close of business, December 20th, 1933.

By order of the Board,
J. H. GILLIES,
Secretary.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given, that a Dividend of Three per cent, upon the Paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after
1st January, 1934,
to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board,
WALTER GILLESPIE,
Manager.

Model Oils Limited

Dividend Notice

Notice is hereby given that a dividend of three cents per share has been declared to shareholders of the Company of record as such on the books of the Company at the close of business on Tuesday, January 2, 1934, and that the dividend will be payable on or after the 20th day of January, 1934. Dividend cheques will be mailed from the office of the Company on the 20th day of January, 1934.

The Register of Transfers will be closed from the close of business on the 2nd day of January, 1934, until the opening of business on January 22, 1934.

By order of the Board,
T. W. McKEE,
Secretary-Treasurer.

Transfer charge is 35c for each new certificate.

If certificates are to be mailed add 15c for postage.

DIVIDEND NOTICES

United Securities Limited

Notice is hereby given that a dividend of Fifty cents (50c) per share has been declared on the outstanding common shares of the Company for the quarter ending December 31st, 1933, payable January 15th, 1934, to shareholders of record December 27th, 1933.

By Order of the Board,
JAMES WILSON,
Secretary-Treasurer.
Montreal, December 18, 1933.

The Canadian Light and Power Company

Notice is hereby given that a dividend of one-half of one per cent (½ of 1%) has been declared on the outstanding shares of the Company for the half year ending December 31st, 1933, payable January 15th, 1934, to shareholders of record December 31st, 1933.

By Order of the Board,
JAMES WILSON,
Secretary.
Montreal, December 18, 1933.

Montreal Tramways Company

DIVIDEND NOTICE

Notice is hereby given that a dividend of TWO DOLLARS AND TWENTY-FIVE CENTS ($2.25) per share, for the quarter ending December 31st, 1933, has been declared upon the paid in Capital Stock of the Company, to Shareholders of record on Saturday, the 6th day of January, 1934, at 12 o'clock noon, payable on Monday, the 15th day of January, 1934.

By order of the Board,
PATRICK DUBEE,
Secretary-Treasurer.
December 18th, 1933.

The Dominion Bank

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, 31st January, 1934, at twelve o'clock noon.

By Order of the Board,
DUDLEY DAWSON,
General Manager.
Toronto, 14th December, 1933.

Canadian Wirebound Boxes Ltd.

Dividend Notice

The Directors of the Company have declared a dividend of thirty-seven and one-half cents (37½c.) against accumulated arrears on the class "A" shares of the Company, payable January 2nd, 1934, to shareholders of record at the close of business December 20th, 1933.

By order of the Board,
J. P. BERNEY,
Secretary.

The TORONTO GENERAL TRUSTS CORPORATION

DIVIDEND NO. 150

Notice is hereby given that a dividend of one and one-half per cent. (1½%) has been declared upon the paid-up capital stock of this Corporation for the quarter ending December 31st, 1933, payable on and after Tuesday, the second day of January, 1934, to shareholders of record at the close of business on December 16th, 1933.

By order of the Board of Directors,
W. G. WATSON,
General Manager.
Toronto, December 12th, 1933.

70th Quarterly Dividend

Notice is hereby given that a dividend of Thirty-eight Cents per share (being at the rate of One Dollar and Fifty Cents per annum) on the no-par-value Common Shares of the Company presently issued and paid-up for Quarter ending December 31st, 1933, has this day been declared to shareholders of record, December 31st, 1933, on the Montreal and London, England, registers.

Dividend cheques will be mailed to registered shareholders January 31st, 1934.

By Order of the Board,
G. R. WHATLEY,
Secretary.
Montreal, December 18th, 1933.

Montreal Light Heat & Power
CONSOLIDATED

Owned by 60,000 shareholders, Montreal Light Heat & Power comprises the largest group of customer-owners possessed by any public utility company in Canada

The Consolidated Mining and Smelting Company of Canada, Limited

DIVIDEND No. 57

Notice is hereby given that a Dividend of Six Per Cent (6%) on the paid-up Capital Stock of the Company for the year ending December 31st, 1933, has this day been declared, payable on the 15th day of January, 1934, to shareholders of record at the close of business on the 30th day of December, 1933.

By order of the Board.
J. E. RILEY,
Secretary.
Montreal, December 12, 1933.

McINTYRE MINES BIDS FOR HOLTYREX

Negotiations Pending for Adjoining Property Financially Entailed

Negotiations are pending for McIntyre-Porcupine Mines to acquire the adjoining property owned by the Holtyrex Gold Mines. This property comprises four claims and adjoins the Plenaurum claims of McIntyre on the north and is about one-and-a-half claims away from the No. 11 McIntyre shaft, the nearest underground working.

The acquisition of the property does not necessarily mean that shareholders of Holtyrex Gold Mines will participate since the property is up for tax sale, also there is a mortgage held against the property for some $50,000 plus accrued interest. When these obstacles to title of the property are cleared the way will be paved for final negotiations.

Holtyrex Gold Mines was incorporated in 1921 with an authorized capitalization of 3,000,000 shares of which about 2,000,000 are outstanding.

Attention was drawn to the property last August when A. E. Schmidt, of Montreal, came under the investigation of the Better Business Bureau of that city for the representations he made in selling Holtyrex shares. At that time denial was given to the Better Business Bureau by McIntyre-Porcupine Mines officials that they were negotiating for the acquisition of the property. Schmidt also admitted that the stock he was offering was his own personal holdings and that nothing was accruing to the Holtyrex treasury.

Big Missouri Mines Case Goes to Privy Council

Leave of appeal to the Privy Council has been secured from a judgment of the Supreme Court of Canada arising out of litigation regarding the sale of the Big Missouri mine for $250,000 five years ago.

The action has been taken by Mrs. Laura McEwan, of Nelson, B.C., as a representative of the Stevenson estate, to collect from the Lindeborg estate a proportionate liability of a judgment of $50,000 secured by William F. Harris, of Port Angeles, Wash.

The Big Missouri property originally belonged to five prospectors — Daniel and Andrew Lindeborg, James Proudfoot, Hiram Stevenson and William S. Harris. All are dead except Harris. Following the sale of the property in 1928 for $250,000, Harris established a claim before the Supreme Court to $50,000 interest in the estate of Stevenson and Proudfoot, the estate of Lindeborg Bros., being absolved from liability. Some time ago Mrs. McEwan secured a judgment for $13,862 against the Lindeborg estate. This judgment was upheld by the Court of Appeal, but was set aside by the Supreme Court, resulting in leave to appeal to the Privy Council.

Wiltsey-Coghlan Mines Drilling Inconclusive

Shareholders of Wiltsey-Coghlan Mines are in receipt of a progress report over the signature of H. S. Denny, president of the company, giving details of its recently completed No. 9 diamond drill hole. Gold values ranging from 20 cents to $3.20 in the 22 feet of dyke were intersected at a depth of 116 feet, but there were no further indications of values. The physical characteristics of the structure were confirmed and gave hope that there are present sulphide bodies yet undiscovered. Another drill hole is to be drilled from the ice to test the continuity of the Bay discovery.

In conclusion Mr. Denny states that while no commercial ore has been encountered in the last two drill holes, Nos. 18 and 19, evidence of the presence of gold at several points has been obtained and geological data have been collated that point to the probable proximity of concentrates of ore such as those they are now seeking. The company has no debts and has recently patented the bulk of its property. It has ample funds to carry out its immediate programme.

DIVIDEND NOTICES

Provincial Paper Limited

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable January 2nd, 1934, to shareholders of record as at close of business December 15th, 1933.

W. S. BARBER,
Secretary-Treasurer.
Toronto, Ontario.

NOTICE

To Canadian Policyholders of the Alliance Casualty Company, Philadelphia, Pennsylvania, U. S. A.

On June 1, 1933, the Alliance Casualty Company, Philadelphia, Pennsylvania, U. S. A., reinsured, with the Indemnity Insurance Company of North America, Philadelphia, Pennsylvania, U. S. A., all of its unexpired policies, outstanding obligations and liabilities. On Feb. 3rd, 1934, application will be made to the Minister of Finance for the release of its securities deposited and now held by the Receiver General and any Canadian Policyholders opposing such release should file their opposition with the Minister of Finance on or before that date.

ALLIANCE CASUALTY COMPANY,
FRANK A. EGER,
Secretary.

The Ontario Municipal Board

Notice is hereby given that the Municipality of the Township of East York has become subject to the provisions of Part VI of "The Ontario Municipal Board Act, 1932," by an Order of The Ontario Municipal Board bearing date the 22nd day of November, 1933, and from and after the first publication of this Notice in "The Ontario Gazette," all actions and proceedings against the said Municipality are stayed and thereafter no action or other proceeding against the said Municipality shall be commenced or continued nor shall a levy be made under a writ of execution against it without leave of The Ontario Municipal Board.

Dated this 22nd day of November, A.D. 1933.

H. C. SMALL,
Secretary,
The Ontario Municipal Board.

Mining Stock Quotations

Week Ending December 18.

Par Val.	Range 1933 High	Low	Company	Sales	Close Dec. 11 (or last)	High for week	Low for week	Close Dec. 18
1	.02½	.00½	Acadia	1,000	.01	.01	.01	.01
No	.19	.04	Aldermac	6,000	.17	.17	.16	.17
No	.05½	.01	Alexandria	33,500	.01½	.01½	.01½	.01½
1	.14	.03	Algoma	26,000	.08½	.08½	.07	.07
1	.10	.03	Algonquin	22,500	.04	.04½	.03½	.04
1	.01	.00½	Amity Copper	140,600	.00½	.00½	.00½	.00½
1	.01	.01	Apex	......	.01	.....	.....	.....
1	[illegible]	[illegible]	Arno	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
No	[illegible]	[illegible]	Arno (new)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1	[illegible]	[illegible]	Ashley	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
No	1.38	.75	Bagamac	160	1.00	[illegible]	[illegible]	[illegible]
1	.02	.01	Baldwin	......	[illegible]	.....	.....	.....
1	[illegible]	[illegible]	Barry Hollinger	14,475	[illegible]	[illegible]	[illegible]	[illegible]
1	2.45	.78	Base Metals	6,545	1.48	1.50	1.45	1.48
5	1.25	[illegible]	B. R. X.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1	.45	.15	Big Missouri (new)	14,702	.38	.39	.32	.33
1	[illegible]	.02	Bobjo	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
No	12.25	2.32	Bralorne	4,746	9.35	10.45	9.40	10.35
50c	.13	.07	Brett Trethewey	3,000	.12	.12	.10	.12
1	[illegible]	.01	Brownlee	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1	[illegible]	[illegible]	Buffalo Ankerite	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1	.03	.00¼	Buckingham	3,000	.00¼	.00¼	.00¼	.00¼
No	.09½	.01½	Buffalo Can.	10,300	.08	.08	.07	.07½
5	24.60	15.40	Bulolo Gold	360	20.50	20.75	20.50	20.50
No	.10	.01	Bunker Hill	23,100	.01¼	.01½	.01	.01½
5s	1.25	.60	B'Wana McKubwa	......	.72	.....	.....	.....
No	.05	.02½	Canam Metals	......	.03	.....	.....	.....
1	.12½	.03	Can. Kirkland	24,400	.07	.07	.05½	.06½
No	.60	.32	Can. Malartic	21,050	.40½	.42	.40	.42
1	.02	.00½	Capital Rouyn	1,000	.00¾	.00½	.00½	.00½
1	3.05	2.50	Cariboo G. Q.	300	3.00	2.85	2.85	2.85
1	.03½	.01	Cartier Malartic	4,000	.01½	.01½	.01½	.01½
1	.72	.15	Castle Trethewey	8,120	.55	.55	.52	.52
1	.20	.06	Cen. Manitoba	31,100	.11½	.13½	.11	.13
1	.73	.17	Cen. Patricia	8,450	.48	.49½	.45	.46½
No	.20	.03	Chibougamau Pros.	265,400	.05½	.07½	.04½	.03½
No	.15	.03	Church. M. & Mill.	46,500	.11	.12	.11½	.12
No	.04	.00½	Clericy	18,500	.01½	.02	.01½	.01½
1	.03	.01	Clifton Cons.	27,500	.01	.01½	.00½	.01½
5	9.00	1.65	Coast Copper	400	4.25	4.50	4.15	4.15
1	.15	.00½	Cobalt Contact	28,000	.04½	.04½	.04	.04½
No	.48	.43	Columario (new)	10,300	.43½	.46	.44	.46
5	1.90	.75	Coniagas	1,100	1.30	1.35	1.25	1.35
No	1.00	.20	Coniaurum	12,369	.81	.91	.85	.90
25	144.00	54.00	Cons. Smelters	2,214	130.00	131.00	126.00	126.50
No	40.00	13.60	Dome Mines	4,335	32.60	33.25	32.00	32.20
No	.15½	.03½	Dom. Explorers	10,100	.05	.05	.04½	.04½
1	.02½	.01½	Dominion Kirk	9,000	.01	.01	.01	.01
1	.04	.00½	Don Rouyn	1,000	.01	.01	.01	.01
1	.04½	.01	Duparquet	......	.02	.....	.....	.....
1	8.10	1.16	Eldorado	15,530	3.50	3.53	3.40	3.41
No	4.55	1.80	Falconbridge	4,435	3.45	3.45	3.10	3.10
1	.06	.01	Federal	1,500	.01½	.02	.02	.02
No	.07	.01	Gilbec	6,500	.03	.03	.02½	.02½
1	.17	.04	Goldale	4,050	.09	.09	.08	.08
10	.29	.10	Goldfield	1,000	.18	.15	.15	.15
.	.01½	.01	Gold Reef	......	.01	.....	.....	.....
1	.23	.02	Goodfish	4,500	.14	.12	.11½	.11½
1	.04	.01	Graham	2,000	.02½	.02½	.02½	.02½
1	1.95	.50	Granada	18,500	.58	.58	.50	.55
1	.18	.05	Grozelle	3,500	.05	.05	.05	.05
1	.45	.24	Halcrow Swayze	2,700	.35½	.35½	.33	.33½
1	.06	.02	Harker	5,500	.03½	.03½	.03½	.03½
1	.01½	.00½	Hilltop	2,000	.00½	.00½	.00½	.00
5	12.50	6.05	Hollinger	13,110	11.90	11.65	11.00	11.00½
1	1.51	.61	Howey Gold	13,875	1.00	1.00	.96½	.96
No	12.25	3.10	Hudson Bay	700	9.00	9.00	8.55	8.55
No	.55	.25	Huronian	680	.40	.40	.40	.40
1	13.00	8.50	Inter. Mining	......	10.00	.....	.....	.....
1	4.50	2.75	Do., Pur. Warr.	......	4.50	.....	.....	.....
No	23.25	8.00	Int. Nickel	26,486	21.50	21.75	21.00	21.25
100	112.50	112.00	Do., pref.	......	112.50	.....	.....	.....
1	.04½	.00¾	Jackson Manion	18,000	.03	.03	.02½	.02½
1	.70	.20	Keeley	1,900	.40	.41	.40	.41
1	.02½	.00½	Keora Mines	5,000	.01	.00¾	.00¾	.00¾
1	.76	.48	Kirk. Hud. Bay	400	.52	.52	.52	.52
1	.02¾	.00½	Kirk. Hunton	......	.00½	.....	.....	.....
1	.52	.28	Kirkland Lake	12,350	.29½	.30	.28	.28
1	.04½	.01½	Kirkland Premier	5,000	.02½	.02½	.02½	.02½
1	.52	.12	Kirk. Townsite	23,700	.27	.26	.21½	.21½
20c	.02¾	.00½	Koot. Florence	6,000	.01½	.01½	.01½	.01½
1	.35	.15	Lakeland	5,300	.15½	.19	.15	.18
No	.32	.07	Lake Maron	20,500	.08½	.11	.07½	.10½
1	52.00	30.75	Lake Shore	5,268	44.50	44.50	42.50	43.30
1	.23½	.02½	Lebel Oro	11,600	.12	.12½	.10	.10½
No	.29	.11	Lee Gold	11,000	.13	.13	.12	.12½
1	1.29	.20	Macassa	63,160	.78	.83	.77	.81
1	.07½	.01	Malrobic	11,500	.01½	.01½	.01½	.01½
No	.17	.02¾	Mandy	2,000	.07½	.08	.07½	.08
No	.07	.01	Manitoba Basin	29,000	.02½	.02½	.02	.02
5	48.60	21.20	McIntyre	8,725	37.60	39.75	36.50	38.5
1	.55	.30	McKinley	......	.50	.....	.....	.....
No	.08	.01	McLeod River	2,000	.01½	.01½	.01½	.01½
1	.44½	.03	McMillan	182,950	.35	.44½	.34	.41½
No	1.15	.35	McWatters	9,350	.42	.40	.36	.36
1	1.12	.15	McVittie	108,135	1.03	1.12	1.03	1.08
5	1.25	.06	Mentor Exp. & Dev.	.....	1.05	.....	.....	.....
No	2.65	1.20	Mining Corp.	1,848	1.70	1.67	1.55	1.55
1	.05	.01½	Moffatt Hall	15,500	.02½	.02½	.02	.02½
1	.12½	.02	Moneta	17,300	.10	.10	.08½	.08½
1	.00½	.00½	Montreal Rouyn	......	.00½	.....	.....	.....
1	.12½	.02½	Moss	250	.02½	.02½	.02½	.02½
1	.03½	.00½	Murphy	20,500	.01½	.1½	0.01	.01½
No	.06½	.02	Newbec	100	.02	.02	.02	.02
1	.06½	.01½	Night-Hawk Penn.	1,000	.03	.03	.03	.03
5	3.50	1.15	Nipissing	4,335	2.40	2.40	2.25	2.30
No	39.25	19.75	Noranda	8,809	34.75	35.25	32.75	33.00
No	.52	.26	Nor. Canada	1,800	.30	.28	.26	.28
1	.34	.05	Osisko	1,500	.16	.15	.10½	.15
1	.46	.11	Parkhill	78,625	.34	.43	.35	.42½
1	.03½	.01	Pawnee Kirk.	1,500	.01½	.01½	.01½	.01½
1	.29	.20	Paymaster	35,800	.24	.24	.20	.23
1	1.80	.50	Pend Oreille	745	.77	.68	.66	.68
1	.04½	.00½	Peterson Cobalt	2,000	.03½	.03	.03	.03
1	16.25	4.30	Pioneer Gold B.C.	17,185	12.20	12.50	11.25	11.60
1	.08	.03½	Porcupine Crown	......	.02	.....	.....	.....
1	.01½	.00½	Potter Doal	......	.00½	.....	.....	.....
1	1.60	.55	Premier Gold	7,650	1.03	1.09	1.03	1.03
1	.03½	.00½	Preston E. Dome	......	.01½	.....	.....	.....
No	1.75	.35	Prospectors Air's	1,500	.36	.35	.35	.35
No	.15	.03	Quemont	......	.10	.....	.....	.....
1	.51	.25	Read Authier	26,450	.25	.33	.25	.32
1	2.75	.70	Reno	15,110	.92	.93	.80	.84
1	.03½	.00½	Ribago	8,500	.00½	.00½	.00½	.00½
1	.03	.01½	Ritchie	3,000	.01½	.01½	.01½	.01½
1	.04½	.01	Robb Montbray	3,208	.01½	.01½	.01	.01
1	1.60	.75	San Antonio	27,971	1.41	1.60	1.40	1.55
1	.07	.02	Seven Troughs	......	.07	.....	.....	.....
1	1.90	.33	Sherritt Gordon	17,736	.85	.90	.85	.87
1	1.78	1.25	Siscoe	25,830	1.51	1.53	1.45	1.46
1	.10½	.02	South Keora	3,000	.02	.02½	.02	.02
No	.16	.09	Stadacona (new)	43,500	.10	.10	.09	.09
1	.60	.07	St. Anthony	7,200	.34	.35	.32½	.33½
No	2.21	.60	Sudbury Basin	4,150	1.10	1.10	.98	1.03
1	.15	.00½	Sudbury Contact	2,600	.05	.05½	.05	.05
1	.02½	.00½	Sudbury Mines	......	.01	.....	.....	.....
No	.28	.16½	Sudbury Nickel	......	.21	.....	.....	.....
1	.38½	.14	Sullivan	22,600	.28	.28	.25½	.26
1	1.44	.72	Sylvanite	30,734	1.18	1.20	1.15	1.20
1	7.25	3.70	Teck Hughes	14,060	5.85	5.85	5.55	5.75
1	.22	.03	Thom. Cadillac	46,707	.19	.18½	.16	.16½
1	.61	.10	Towagmac	1,900	.32	.32	.25½	.26
1	3.00	.55	Treadwell	800	.55	.60	.60	.60
1	.25	.04	United Kirkland	2,700	.15	.16	.15	.16
No	.06½	.01	Vacuum Gas	8,000	.01	.01½	.01½	.01½
No	2.40	.30	Venezuela	......	1.06	.....	.....	.....
No	1.50	.66	Ventures	34,620	.73	.71½	.66	.69
1	.22	.01½	Vickers	7,000	.01½	.01½	.01½	.01½
1	.75	.20	Vipond	2,050	.45	.45	.41	.41
No	1.80	1.15	Waite Amulet	7,074	1.26	1.30	1.25	1.25
50c	.75	.32	Wayside	55,950	.35	.36½	.32½	.36
No	.29	.18	White Eagle	76,030	.23	.28	.23	.27½
1	.08	.02½	White Lake	......	.03½	.....	.....	.....
1	.28	.02	Wiltsey Coughlan	51,400	.08½	.10	.06	.09½
1	.27	.05½	Wood Kirkland	750	.05½	.06½	.06½	.06½
No	8.60	3.73	Wright-Hargreaves	34,055	6.50	6.75	6.40	6.45

OIL STOCKS

Par Val.	Range 1933 High	Low	Company	Sales	Close Dec. 11 (or last)	High for week	Low for week	Close Dec. 18
No	.32	.07½	Acme Gas & Oil	18,800	.16½	.16½	.15½	.16
1	.05	.04½	Admiral	......	.05	.....	.....	.....
No	.01	.01	Advance	......	.01	.....	.....	.....
1	.07	.04	Anaconda	4,000	.04½	.05½	.04½	.04½
1	1.60	.55	Ajax	4,000	1.08	1.03	.99½	1.02
1	.68	.05	Alta. Pacific	2,000	.18	.18	.17	.17½
1	.20	.05	Amalgamated	20,144	.08½	.09½	.07½	.09½
No	1.10	.04½	Associated	2,250	.21	.23	.21	.21
No	.26	.01	Baltac	2,000	.06	.05½	.05½	.05½
No	2.50	.25	Calgary & Ed.	1,115	.90	.90	.80	.90
1	.45	.03	Calmont	2,700	.11	.12	.10½	.10½
1	.25	.03½	Common. Pete.	2,000	.08	.08	.07½	.08
No	2.50	.11	Dalhousie	3,623	.50	.46	.45	.45
No	.19	.02	Devenish	300	.10	.03	.03	.03
No	.55	.05½	East Crest	7,255	.28	.28	.25	.25
No	.36	.20	Erie Gas	......	.20	.....	.....	.....
No	.02	.00½	Fabyan Pete	50,000	.00½	.00½	.00½	.00½
No	1.75	.....	Foothills	......	.35	.....	.....	.....
No	.28	.06	Freehold	5,500	.10	.10	.09	.09
No	.12	.01½	Hargal	2,000	.05	.05½	.05½	.05½
No	4.05	.30	Home	13,474	1.69	1.73	1.54	1.62
No	.05	.02½	Homestead	......	.02½	.....	.....	.....
1	.25	.10	Homestead O. & G.	3,000	.16½	.17½	.15	.15
No	.47	.10	Lowery	3,300	.17	.25	.25	.25
No	.06½	.01½	Madison	......	.01½	.....	.....	.....
No	.20	.05½	Marjon Oil	1,200	.10	.15	.12½	.13
No	.10	.03½	McD. Segur Ex.	700	.04½	.05½	.05½	.05½
1	.08½	.05	McD. Segur N.	200	.05	.06	.06	.06
1	1.10	.25	McLeod	350	.33	.35	.33	.33
No	.30	.07½	Mercury	3,700	.14	.14	.12½	.12½
No	.45	.11	Merland	4,300	.24	.27	.25	.27
1	.01½	.01	Mid West	......	.01½	.....	.....	.....
No	.35	.09	Mill City Pete.	700	.16½	.16	.15	.15
1	.50	.12	Model	6,650	.27	.27	.26	.27
5	.30	.08	Nordon	9,200	.09½	.09	.08	.09
No	.12½	.02½	Oil Selections	16,000	.04½	.04½	.04	.04½
No	.20	.04	Okalta	3,500	.05½	.05	.05	.05
No	.61	.20	Olga Gas & Oil	500	.27½	.25	.25	.25
1	.25	.13	Petrol Oil & Gas	1,000	.16½	.16½	.16½	.16½
No	.02	.02	Richfield	......	.02	.....	.....	.....
No	23.00	5.75	Royalite	1,454	18.00	19.00	17.90	19.00
1	.25	.05	Sarnia Oil	12,700	.11	.10½	.07½	.08½
No	.45	.04	South West Pete.	......	.11	.....	.....	.....
1	.39	.06	Spooner	1,300	.18	.23	.22	.23
No	.75	.12	Sterling Pacific	3,800	.42	.44	.40	.43½
.	.43½	.43	Trinidad Oil	......	.43½	.....	.....	.....
No	.25	.03	United	3,700	.06	.05½	.05	.05½
No	.25	.06	Vanalta	......	.10	.....	.....	.....
No	.90	.65	Wainwright West	8,800	.75	.77½	.75	.77½

VANCOUVER STOCK EXCHANGE

(Transaction for Week to December 13.)

Par Val.	Range 1933 High	Low	Company	Sales	Close Dec. 6 (or last)	High for week	Low for week	Close Dec. 13
25c	.03	.00½	Bayview	2,000	.01½	.01	.01	.01
20c	.10½	.02½	Beaver Silver	16,800	.06	.06½	.05½	.06½
25c	.17	.03	Big Slide	8,000	.03½	.04	.03½	.04
25c	.06½	.02	Bluebird	500	.02	.02	.02	.02
No	13.00	1.38	Bralorne	4,532	9.65	9.90	9.40	9.75
1	.57	.05	Bridge River Cons	6,600	.21	.21	.20	.20
50c	.71	.22	Bridge River Exp.	16,475	.29	.30	.26	.26
100	99.00	88.50	B. C. Electric, pfd.	5	99.00	98.00	98.00	98.00
1	.60	.33	B. C. Nickel	7,100	.42	.45	.41	.45
1	1.50	.60	B. C. Silver	600	1.00	.95	.90	.90
No	.82	.52	Burns Mountain	......	.55	.....	.....	.....
.	.36	.35	Cariboo Central	1,700	.36	.36	.35	.36
1	4.60	1.50	Cariboo Gold	3,555	2.95	3.00	2.80	2.80
No	12.90	5.60	Coast Breweries	266	9.00	9.00	8.60	9.00
25c	.02½	.00½	Cork Province	10,000	.01	.01	.01	.01
1	.05	.02½	Cotton Belt	......	.05	.....	.....	.....
50c	.21	.21	Dentonia	500	.21	.25	.25	.25
1	.08	.01½	Dalhousie Mines	......	.02	.....	.....	.....
1	.21½	.02	Dunwell	4,013	.15	.17	.15	.17
1	1.00	.28	George Copper	250	.30	.30	.30	.30
50c	.12	.03	Geo. Enterprise	......	.03	.....	.....	.....
1	.09½	.01½	Georgia River	19,600	.02	.02½	.01½	.02
1	.60	.16	Golconda	3,000	.40	.42	.37	.40½
50c	1.25	.25	Gold Belt	5,930	.29	.30	.25	.29
1	1.50	.95	Golden Bells	......	1.50	.....	.....	.....

Par Val.	Range 1933 High	Low	Company	Sales	Close Dec. 6 (or last)	High for week	Low for week	Close Dec. 13
[illegible]	[illegible]	[illegible]	Grandview	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Home Gold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Independence	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Indian Mines	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Inter. Coal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Kootenay Belle	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Lucky Jim	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Meridian Min.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	McGillivray Creek	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Metaline Metals	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Minto Mines	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Mohawk	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Mogul	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Morton Woolsey	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	National Silver	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Noble Five	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Oregon Copper	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Planet	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Pioneer Extension	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Pioneer Gold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Porter Idaho	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Premier Border	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Privateer	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Reeves McDonald	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Reno Gold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Reward Mining	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Relief Arlington	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Ruth Hope	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Salmon Gold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Silver Crest	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
20c	.03½	.01½	Silversmith	[illegible]	.02	.....	.....	.....
50c	.04½	.01	Snowflake	10,000	.01½	.01	.01	.01
25c	.06	.01½	Sonora	500	.06	.01½	.01½	.01½
1	.61	.28	Standard Gold	......	.28	.....	.....	.....
.	3.30	3.00	Sunshine	100	3.30	3.10	3.10	3.10
1	.50	.20	Sunloch	......	.20	.....	.....	.....
5	.40	.20	Toric	......	.40	.....	.....	.....
50c	.03½	.00½	Topley Richfield	......	.00½	.....	.....	.....
No	.49	.40	Taylor Bridge	4,000	.43	.42	.40	.40
50c	.72	.08	Wayside	25,202	.36	.37	.34	.34½
25c	.12	.01½	Waverly Tangier	29,700	.01½	.01½	.01½	.01½
20c	.05	.01½	Wellington	......	.01½	.....	.....	.....
No	.36	.20	White Eagle	......	.24	.....	.....	.....
1	.18	.03	Whitewater	10,700	.06½	.06½	.05½	.05½
1	.48	.40	Yankee Belle	......	.43	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield %		Rate	Yield %
Ajax Oil	8c.	7.84	McLeod Oils‡	5c.	.....
Bulolo Gold‡	60c.	.....	Mercury Oils	4c.	.....
Coast Brew	92c.	.....	Merland Oils‡	5c.	.....
Coniagas	12½c.	.....	Model Oils	3c.	.....
Coniaurum†	3c.	.....	Noranda‡	$1	.....
Cons. Smelters	1.50	.....	Petrol Oil‡	1c.	.....
Dome Mines	$1+55c.	4.81	Premier	12c	11.65
Falconbridge	25c.	.....	Pioneer, B.C.	60c.	5.17
Goldfield Cons‡	5c.	.....	Royalite	$1	.....
Hollinger	65c.+20c.	7.72	Siscoe	1+22c.	9.58
Howe Sound	$1	.....	Sterling Pacific Oil‡	3c.	.....
Int. Coal & Coke‡	2c.	.....	Sunshine Min.	5+7c.	.....
Lake Shore	$2+$1	6.92	Sylvanite	4+3½c.	.....
McIntyre	1.87½	4.92	Teck-Hughes	60c.	10.43
			Wright-Har.	20c.+10c.	4.65

‡Interim. †Initial. *Paid in 1932.

Unlisted Mining Stocks

December 19, 1933

	Bid	Ask		Bid	Ask
Abana	.04	.07	Kirk. Gold	.10	.15
Algoma M. & Fin.	.10	.15	Lake Geneva	.12	.18
Alschbach Gold	.02	.03	Lamaque Gold	...	1.25
Arntfield Gold	.70	.85	Little Long Lac	1.17	1.22
Arntfield Synd.	.65	.75	McCarthy Webb.	.08	.10
Astoria Rouyn	.02	.03½	MacKenzie Red Lake	.42	.47
Bathurst	.01	.02	McL. Cockshutt.	.17	.21
Beattie	1.20	1.25	Makwa Cham.	.25	.28
Bidgood	.01	.02	Man. & Eastern.	.04	.05½
Buff. Ankerite	1.22	1.28	Maple Leaf M.	.28	.30
Buff. Rouyn	02	.04	Matachewan Can.	.09	.11
Bussieres Min.	...	.40	Mecca Gold	.20	.23
Can. Radium	.06	.09	Metals Develop.	.02	.03
Canusa Mining	.03½	.05	Minefinders	1.00	..
Cent. Kirk Un.	9.00	11.00	Minrand Gold	...	.30
Cochenour-Wil. Units	15.00	20.00	Montreal-Alb. Petroleum	.38	..
Continental Gas.	...	.10	N.A.M.E. Units.	5.00	6.00
Continental Gold Units	...	135.00	Normetal Min.	.45	.60
Continental Kirk.	...	.06	Northl'd Pros.	500.00	600.00
Crown Reserve	.01	.03	O'Connell Gold	.25	.30
Delta Units	35.00	55.00	Old Colony	...	.01
Dorval Siscoe Units	...	15 00	Oro Grande Dev.	.45	.60
Dunkin	...	.03	Peninsular Pet.	.00½	.01
Dunlop Cons.	.01½	.02	Pontiac Rouyn	.41	.45
Eagle Oil	1.20	1.30	Que. Eureka Un.	12.00	17.00
Echo Bay Explor.	...	.35	Quebec Pros.	2.50	..
Edgecreek Un.	10.00	16.00	Quetario Pros.	...	2.00
Fiske	.02	.03	Rubec Mines	.01	.02
Flintoba	.00½	.01½	Silverore Un.	10.00	12.00
Four Nations	.09	.14	Silveradium Un.	50.00	75.00
Galatea Units	15.00	25.00	Silver Valley	.14	.18
Garry Gold	...	.17	Smelter Gold	.24	.26
Glenera Gold	.25	.35	Sourdough Un.	5.00	10.00
God's Lake	.74	.76	South Tiblemont.	.19	.21
Goldside Units	24.00	30.00	Do., Units	35.00	45.00
Gr. Bear Lake	.35	.40	Sun Bear	.15	.22
Greene Stabell	.51	.55	Sunorca Explor.	1.00	1.15
Gregg Oil Un.	1900.00	..	Swayze Contact	.14	.18
Gunnar Gold	.50	55	Tiblemont Island	.11½	.12½
Herbin Lake Un.	10.00	16.00	Tom Montgomery Un.	..	150.00
Horseshoe	.09½	.12	Trusted Inv. Syn. Units	16.50	18.50
Iroquois Kirk.	.17	.19	Tyrrell Tp. McN.	..	40.00
Island Lake	.06	.09	West McWatters Units	..	15.00
Kenty Gold	1.00	1.15	Young Davidson.	.17½	.21

The above table is made up from quotation sheets of several brokers. The Financial Post does not guarantee the quotations but can supply any subscriber with the name of the broker from whose sheet any particular quotation was taken.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.

December 19, 1933

	Rate	Actual Maturity	Next Int. Date	Price	Yield
*Alberta	4½	1 Oct., 1958	1 Apr.	83.00	5.80
Alberta	5	1 July, 1943	1 Jan.	91.00	6.22
Alberta	6	1 Mar., 1947	1 Mar.	97.50	6.28
*British Columbia	4½	1 Oct., 1953	1 Apr.	83.00	5.97
*British Columbia	5	15 Jan., 1948	15 Jan.	91.00	5.93
British Columbia	6	15 Feb., 1947	15 Feb.	95.00	6.56
Manitoba	4	1 July, 1947	1 Jan.	84.00	5.72
*Manitoba	5	2 Dec., 1959	2 June	88.00	5.91
Manitoba	6	1 Apr., 1947	1 Apr.	95.00	6.56
*New Brunswick	4	1 June, 1948	1 June	91.00	4.85
*New Brunswick	4¾	15 June, 1936	15 Dec.	99.50	4.96
New Brunswick	5½	15 May, 1950	15 May	104.50	5.09
*Nova Scotia	4½	15 Nov., 1948	15 May	98.00	4.68
Nova Scotia	5	1 May, 1943	1 May	100.50	4.94
*Ontario	4½	1 Sept., 1944	1 Mar.	101.50	4.32
Ontario	5	15 Oct., 1948	15 Apr.	103.50	4.67
Ontario	5½	1 Feb., 1947	1 Feb.	107.50	4.74
P. E. I.	4	1 Apr., 1939	1 Apr.	96.00	5.85
P. E. I.	6	1 May, 1947	1 May	108.50	5.12
*Quebec	4¼	1 May, 1961	1 May	97.50	4.41
*Saskatchewan	4½	1 Sept., 1955	1 Mar.	82.00	5.98
*Saskatchewan	5	1 Nov., 1959	1 May	87.00	5.99
Saskatchewan	6	15 Mar., 1952	15 Mar.	93.00	6.66
*Newfoundland	5	31 Dec., 1952	31 Dec.	100.00	3.00
*Newfoundland	5½	1 July, 1939	1 Jan.	100.00	3.00
*Newfoundland	6½	30 June, 1936	31 Dec.	100.00	3.00
Cities					
*Montreal	5	1 Sept., 1963	1 Mar.	99.25	5.05
*Toronto	4½	1 Jan., 1955	1 Jan.	98.50	4.62
*Vancouver	5	15 Jan., 1970	15 Jan.	85.25	6.00
Winnipeg	5	1 Mar., 1944	1 Mar.	92.30	6.00
*Edmonton	5½	1 Apr., 1947	1 Apr.	88.50	6.81
Calgary	5	1 Jan., 1943	1 Jan.	87.00	6.88
Halifax	6	1 July 1951	1 Jan.	112.00	4.97
Saint John	5	15 Dec., 1950	15 Dec.	101.50	4.87
Regina	4½	1 July, 1950	1 Jan.	77.50	6.75
Victoria	5	21 July, 1945	21 Jan.	91.50	6.00
Quebec	5	1 June, 1948	1 June	100.00	5.00

*Payable in New York.

Winnipeg Stock Exchange

(Transactions for week to December 16)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close Dec. 16
..	..	Commercial Life	10	7	7	7
..	..	God's Lake	500	.65	.64	.64
..	..	Gunnar Gold	300	.52	.49½	.49½
50c	3.8	Imperial Oil	7	13	13	13
80c	5.4	Loblaw "A"	10	14¾	14¾	14¾
..	..	San Antonio	400	1.58	1.40	1.50
1	10.8	United Grain	6	9½	9½	9½

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Lumb. pref.	..	65	Pelissiers c.	½	..
Beaver Lumber c.	..	4	Northern Trust	..	16
Can. Fire Ins.	55	..	Reliance Grain pfd.	..	45
City Dairy 8% pf.	..	85	Sovereign Life	..	20
Cres. Creamery pf.	10½	..	Traders Bldg. Assn.	65	..
Gt. West Life	310	..	Can. Amer. Tr. shs.	..	3.00
Home Investment	20	..	Fundamental Ser. A	..	4½
Monarch Life 10% pd.	17	..	Fundamental Ser. B	..	4
			Group Income Shs.	..	4.25
Nor. Mtg. part pd.	..	5	Can. Invest. Fund.	..	3.30

*Stocks more active on other exchanges not included.

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

At the Mines

Central Patricia Gold Mines—Essential pieces of mill equipment had to be taken in over winter roads and the mill practically completed this year is expected to start producing on February 1. The mine is being dewatered preparatory to production.

Chibougamau Prospectors—A crew has been sent into the company's property in the Chibougamau district of Quebec. Dr. Frederick Esser, who examined the property in 1931, estimates that from the work done to date there are at least 500,000 tons of ore in a zone 950 ft. in length by over a width of 13 ft. to a depth of 500 ft.

Enid-Julie Mines—One claim and a fraction have been added to the company's property at Phillips Arm, B.C., bringing the total to 22 claims. Operations are to be carried on throughout the winter.

Falconbridge Nickel Mines—Reports from Sudbury state the operations will close down on December 22 until after the holidays in order to permit of the usual year-end overhaul and necessary repairs.

Grizzley Gold Mines — Testing of the company's placer operations in the Fort Steele mining division of B.C. gave values in every test hole sunk one half mile apart along the channel which is from one quarter to one half a mile wide.

Heva Gold Syndicate—Camps are being built and diamond drilling is planned at the company's property on the Heva River, Malartic township, 25 miles due south of Amos, P.Q. The property, comprising 400 acres, has been reported on by H. R. Bissell, M.E., who will be in charge of development.

Model Oils—Production from the company's No. 1 well in Turner Valley in November was 4,278 barrels of light crude oil valued at $2.95 per barrel. The No. 2 well produced 639 barrels of crude naphtha valued at $2.26 per barrel. The fourth interim dividend payable January 20 will make total disbursements $98,461.

National Gold Mines—Operations are continuing at the company's property on McGillivray Creek, Lower Bridge River area, British Columbia. Some 1,500 ft. of drifting has been done with encouraging values.

Nordon Corp.—Glen M. Ruby, president, reports that one of the company's royalty wells in New Mexico is producing 350 barrels of crude oil daily.

Parkhill Gold Mines—Annual meeting is called for December 28 in Montreal at which time annual report and financial statement will be presented.

Reeves-McDonald Mines — At the annual meeting held in Vancouver last week decision to resume operations was withheld for six months pending an increase in metal prices that would permit profitable operations.

Reno Gold Mines—November production was valued at $37,150 from 1,709 tons of ore treated. This is equivalent to an average recovery of $21.73 per ton and an average daily milling rate of 57 tons. October production was $30,000. All figures include exchange compensation.

Richfield-Cariboo Gold Mines—The main adit has advanced approximately 800 ft. Up to the present, at least four distinct veins have been cut—the first at a distance of 265 feet in, second 310 feet, third 640 feet, and fourth 680 feet from the portal, along with some small bands of quartz in the intervening space between the portal and No. 1 vein, and also between No. 2 and 3 veins.

Sterling Royalties—No. 1 well in Turner Valley blew in early this month with a wet gas flow estimated at 35,000,000 cu. ft., one of the largest wells ever drilled in the Valley. Official tests have not yet been made on the crude naphtha content of the gas. A royalty of 12½ per cent accrues to the Calgary & Edmonton Corp. Also a 13 per cent royalty will be paid to the Vulcan Oils Ltd.

Vidette Mines—The north drift on No. 1 level has advanced 344 ft., according to Vancouver reports, disclosing a continuous ore shoot with an average width of 13.5 inches and an average gold content of .95 ounces per ton. The shaft presently at a depth of 214 ft. is to be deepened to the 500-ft. horizon where two new levels will be established. Mill addition is expected to bring the property into regular production early in 1934.

Columario Consolidated Gold Mines—Officials announce the acquisition of the five Golden Crown claims reported to carry the extension of the known vein system. These claims have also provided a suitable mill site.

Salmon Gold Mines—Developments of a most interesting nature are reported from the company's property on Summit Lake, eight miles north of the Big Missouri property in the Portland Canal mining division of B.C. Work was resumed this summer under the direction of D. H. Rae, M.E.

Swayze Huycke Installing Power Mining Equipment

Latest reports from F. G. Huycke, E.M., engineer in charge of developments at the Swayze-Huycke Mines, in the Swayze area of Ontario, say construction of the power house, to house the Diesel engine-driven compressor, is under way and that mining machinery is being delivered.

As soon as the power plant is installed, shaft sinking will increase to about 100 ft. per month and by spring underground work will be well advanced.

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The Week in Mining

Royalite Oil Advances

THE steady advance in the shares of Royalite Oil accompanied by an increasing volume in the market has been one of the features of the Turner Valley oil stocks. Trading recently touched $19 per share after having sold as low as $6 earlier this year. In August last, however, under very heavy buying it advanced to $23 per share and then fell off to resume its popularity in recent weeks. That there is increasing appreciation of the value of this stock is evident from market trends, not because the company's wells have been showing an increased production but rather because the policy of Royalite has been one of steadily acquiring the properties of other producers and widening its grasp on the field.

One important factor in the potential earnings of Royalite is the results being obtained from the new absorption plant of Imperial Oil. This was completed last year but its capacity doubled this year. By means of this absorption plant Imperial Oil, which takes all the production of Royalite and controls the company, is able to extract very much higher percentage of the crude naphtha from the wet gas produced. With the higher extraction the equivalent of greater production from the wells is gained and consequently the earnings position of the company improves. One after another as Turner Valley companies have become entangled in difficulties, financial and otherwise, Royalite has made a successful bid for their acquisition or the control of their production. As a result competitive drilling is eliminated and a better control exercised over the production by taking the output from the wells with the wettest gas and consequently the greatest crude naphtha content.

* * *

Lake Shore Goes Prospecting

THE progress report of Smelter Gold Mines calls to attention the first venture of the Lake Shore Mines in search of a mine. While the effort is indirectly through Kirkland Hudson Bay Gold Mines, which is financing the Smelter Gold operations, it is nevertheless under the control of Lake Shore, which now owns control of Kirkland Hudson Bay. It is a very significant fact that Lake Shore Mines, currently Canada's largest gold producer, has attended strictly to its own mining problems and shunned prospecting. This year it broadened its activities by acquiring control of Minaker Gold Mines and Kirkland Hudson Bay Gold Mines, owning parallel properties immediately adjoining Lake Shore to the south. This acquisition was made to protect the possible further extension of the vein systems southward. With a flush treasury Kirkland Hudson Bay, however, has been looking at likely prospects and indications are that it will serve as an exploration subsidiary of the Lake Shore Mines. Already it has examined the Alschbach under an option agreement, which was later dropped.

* * *

Resuscitated Companies

DORMANT and nearly dead mining companies are being resuscitated by ambitious promoters at such an alarming rate that investors and speculators find it difficult to differentiate between these and the legitimate and worth-while mining prospects that are being financed.

By the simple expedient of obtaining supplementary letters patent, many of these old companies have their identity obscured and for commercial purposes serve equally as well as incorporating a new company without all the expense and delay attendant thereof.

In many cases these resuscitations are simply to get hold of a charter in order to have something to sell. A very real asset that goes with these resuscitations is a long list of expectant but disappointed shareholders. A favorite trick is for the promoter to emphasize a real desire to give these old shareholders a chance to recoup their losses and promptly offer rights to purchase additional shares. This reloading practice is not new, but a skilled promoter is oft-times successful in flaunting his professed sincerity to give the old shareholders a break.

Thompson-Cadillac Mines To Issue Shares at 10 Cents

Shareholders of Thompson Cadillac Mines will be asked to ratify a proposal at the annual meeting in Montreal on December 27, to issue 804,729 treasury shares at 10 cents each to finance the company further.

The balance sheet submitted as at August 31, 1933, shows advances of $344,572 to its operating subsidiary, Thompson Cadillac Mining Co. No current assets are shown. Current liabilities include accounts payable of $565 and demand loans from the directors with accrued interest amounting to $53,538.

Of the authorized capitalization of 3,000,000 shares, 2,199,442 are issued.

Canadian Mining News

CONIAURUM MINES IS STARTING PROBE IN SEARCH OF ORE

Gold Price Gives Operating Profit After Cost of Developments

By Staff Editor

TIMMINS.—Having completed its four-compartment extension of the Bishop shaft from the 2,000-ft. level to 3,150-ft. level last month, Coniaurum Mines is now concentrating its attention on the new 2,750 and 3,000-ft. horizons in the hope that ore bodies encountered on the 2,000-ft. level widen as depth is reached as indicated by diamond drilling. At 3,060-ft. a loading pocket has been provided and all ore and development rock will be passed to this point for hoisting.

Without $30 gold this property would not have been able to keep in production, as the grade of ore has been low and scarce. As a tribute to the efficiency of the operations under the management of John Redington, it is noteworthy that despite the heavy expense incurred by the shaft deepening programme, started last May, the cash position of the company has improved by some $100,000. At current prices for gold the monthly operating profit is better than $12,000, from which must be taken administration and depreciation reserves.

Grade Averages $5

Production for 1933 is expected to record a decline from that of the previous three years and is estimated at about $725,000 with gold at $20.67 per ounce. Exchange compensation is expected to add another $230,000 to make the value of this year's production the best in the company's six years history. The estimated amount of ore treated in 1933 is about 145,000 tons, having an average normal value of $5 per ton as against operating costs of about $6.80 including writeoffs.

Although exploration and development has not been curtailed a decline in the ore reserves is likely to be reported for the year. Last year ore reserves were shown at 160,927 tons averaging $5 per ton, with gold at normal value.

Some encouragement has been met with in the search for this year but with the main programme centred on the deeping of the Bishop shaft, the search was not as widespread as it would have otherwise been. Three veins, dipping northward, were encountered in this shaft deeping programme and the area between the 2,000-ft. and 3,000-ft. horizons, opened up by the shaft deeping is regarded as one of the best bets for finding ore. Another bet is the exploration of the westerly or Goldale section of the property adjoining the McIntyre-Porcupine Mines. This area is being explored by diamond drilling from the 2,000-ft. level Recently drilling encountered a vein showing a width of 12 feet and assaying $11 per ton in gold.

Two tongues of porphyry existing on the McIntyre claim just north of the Goldale claim cross into the Coniaurum and are to be explored by drilling in the hope that this favorable formation will have ore associated with it. The main Pearl Lake porphyry mass that dips eastward into the Coniaurum property is not expected to be encountered except at great depth.

Ontario Gold Output Down Ore Mines Up

November gold production from Ontario's gold mines, according to the bulletin of the Department of Mines, was $3,587,975 from 482,867 tons of ore treated, bringing the total eleven months' production to $39,967,879 as compared with $42,637,618 in the corresponding period of 1932.

The order of output for November was Hollinger, Lake Shore, McIntyre, Wright-Hargreaves, Dome, Teck-Hughes, Sylvanite, Howey, Coniaurum, Vipond, Buffalo Ankerite, Macassa, Toburn, Ashley, Kirkland Gold, Parkhill, Moss, Minto and DeSantis.

An interesting angle of the report is that Hollinger again stepped ahead of Lake Shore in the value of its production, while Macassa, the youngest producer in Ontario, reports an initial production ahead of six other gold producers.

November production indicated an average recovery of $7.42 per ton as compared with $7.12 per ton in October, both the Kirkland Lake and Porcupine camps reporting a higher grade treated. Although the gold production is higher than the previous two months, it is still below the average for the eleven months' period.

Grain Volume Triples

The season of navigation at the Port of Quebec closed with grain deliveries having reached about 16,500,000 bushels. This year's shipments, therefore, triples those of last season, at 3,827,330.

Platinum Medal Struck by Hon. W. A. Gordon

The obverse and reverse of the platinum medal struck by Hon. Wesley A. Gordon, Minister of Mines, at the Royal Mint in Ottawa last week. The medal is donated by the International Nickel Co. of Canada and is the award of the Canadian Institute of Mining and Metallurgy for distinguished service to Canada's mineral industry. The initial award goes to James J. Denny, metallurgist of the McIntyre-Porcupine Mines. The medal is of Ontario platinum and was modelled by Tait McKenzie.

Mining Personages in Canada

—Caricature by Cecil.

ROBERT CROOKS STANLEY, E.M.
President of the International Nickel Co. of Canada, director of the Canadian Pacific Railway and many corporations in the United States and Great Britain.

R. C. Stanley, Nickel Chief Finds Recreation In Work

Holds the Helm of International Nickel Co. in Two Periods of Economic Adversity

Among Canada's great mining and metallurgical enterprises it is an exception to find the chief executive a product of the ranks—a man who, by his technical training and sheer knowledge and ability, has reached the highest rung of the ladder. International Nickel Co. of Canada is, at least, one exception for Robert Crooks Stanley, E.M., its president since 1922, has in the past 32 years doggedly worked his way up from being an obscure young technical graduate to the head of the world's greatest mining and metallurgical enterprise.

Quietly and unostentatiously this tycoon of international industry slips into Canada from his New York office and is out again unheralded unless he succumbs to a pressing demand for his appearance at some public function, which his official capacity makes imperative. Work, not words, is his motto and self exploitation in public foreign to his desires.

Long Acquainted With Canada

His scholastic record reveals that he first saw the light of day in Little Falls, New Jersey, on August 1, 1876, 57 years ago and that in 1899 he was turned out of Stevens School of Technology with an M.E. appended. In 1901 the Columbia University, the School of Mines, equipped him for his climb to fame by conferring an E.M. on him.

He early became acquainted with the mineral possibilities of Canada by reason of a contact which he had in investigating a purported rich platinum deposit in British Columbia, little realizing that in after years he and the organization he heads would be one of the dominant factors in the platinum industry of the world.

Early in 1902 the first nickel merger to incorporate in its name the word, "International" —the International Nickel Company — was formed in New Jersey and here we find its future president first employed in the capacity of assistant superintendent of a subsidiary, the American Nickel Works, at Camden. Here, although far removed from mining and exploration, there is evidence that his ability in this direction was appreciated, for in 1904 we find him again in Canada investigating the cobalt-silver finds at Cobalt, Ont., on account of the stampede started to the area that year. He correctly sensed the possibilities of the rich silver strike and it was on his recommendation that a syndicate, comprising International Nickel affiliations, acquired the Nipissing property slated to be known later as Canada's greatest silver producer. With this rich silver ore, containing cobalt and arsenic involving a difficult metallurgical problem, Mr. Stanley again returned to Canada and built a plant to separate and commercialize the obnoxious elements.

Has Rapid Rise

The death of the superintendent of the Canadian plant in 1903 gave young Stanley his first, and a quick step up in responsibility. Another rung in the ladder was climbed in 1904 when he went to the Bayonne subsidiary as assistant general manager of the Orford copper refinery.

When the rich Porcupine gold discovery was made in 1909 he was again sent to Canada to investigate, and his favorable report on the Dome property for his syndicate was quickly acted upon.

In 1912 he was made general superintendent of the parent company, The International Nickel Co., and on January 1, 1918, he was elected vice-president in charge of all operations. In 1922 he ascended to the presidency and upon the merger with Mond Metal Company in 1928 and the shift that made International Nickel Co. of Canada the parent organization he became its president.

In the eleven years that he has been chief executive of the organization he has experienced and piloted his organization through cyclical periods of prosperity and adversity. In 1922 when he took up the reins of office the nickel industry was at its lowest ebb in a decade. The prosperous days of serving the armament manufacturer had received a solar plexus with the world curtailment in armaments. When the foundation of the nickel market collapsed he rallied the energies of his organization to build the industry on a more secure basis. Quickly the nucleus of a research organization was founded and manned by technical men like himself. A thorough study of every phase of potential peace time markets for nickel was made. How well he succeeded was told by the production figures seven years later which showed a sevenfold increase. And thus was created a new and ever-expanding industrial and domestic demand for nickel.

Emerges Triumphant

That he builded well is shown by the second period of industrial adversity from which he is now emerging triumphant. The big bad wolf of depression huffed and puffed and while many other big enterprises collapsed this policy of diversifying the demands for nickel not only kept the big enterprise safely afloat, but has enabled Mr. Stanley to pilot it through the darkest part of the world's greatest industrial storm. In recent months new demands for nickel have quickened production to near its record levels.

First as a student of science, then as an administrative head, he is intimately acquainted with the $50,000,000 expansion and rehabilitation programme completed in 1931. No phase of his huge enterprise has escaped his intimate study and acquaintance and few chief executives have so firm a grasp and understanding of the multiplicity of operations inherent in big enterprises.

Searching for his recreation one finds he is a member of a long list of exclusive clubs, some of which he has never seen. He finds his recreation in work. That his ability is valued by executives of other big organizations is shown by the long list of directorates to which he belongs in leading organizations in the United States, Canada and England, including the Chase National Bank and Canadian Pacific Railway.

At his home in the Dongan Hills of Staten Island he seeks solitude and relaxation from his arduous duties with his family, consisting of two children, a son and a daughter, the former displaying all the thirst for science of his sire.

Coast Shipping Active

During the first eleven months this year 368 deep-sea vessels have sailed from New Westminster compared with 285 in the same period last year.

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Canada's Mining Industry Has Invested $685,211,573

In 1932 Persons Employed Totalled 61,470, Who Received Salaries and Wages of $71,772,047

Industrial data, relating to the mining industry in Canada and just released by the Dominion Bureau of Statistics at Ottawa, reveal that operating mines, smelters, refineries, oil and gas fields, clay products plants, cement mills, sand and gravel properties, and stone quarries represented a total capital investment of $685,211,573 in 1932. Information pertaining to 1932 mining activities was collected for 8,380 mines, quarries, smelters, gas wells, etc., returns showed that the entire mining industry afforded employment to 61,470 persons who received in salaries and wages a total of $71,772,049. Net sales of mineral products amounted to $196,578,211; this value represents the proceeds from sales and includes the value added by smelting operations. This figure should not be confused with the value of Canadian mineral production for 1932 as given in the half-yearly report, which figure, amounting to $182,681,915 includes the value of the metals computed at average prices in a recognized world market together with the reported value of sales of non-metals and structural materials.

Metal Production Leads

The bureau's survey shows that of the major groups in the industry, metal mining reported 330 active operations with a capital investment of $269,180,464, 21,931 employees, $34,983,704 in salaries and wages and $119,790,072 in income from sales; in comparison with corresponding returns for 1931 gold mining was the only individual member of this group to record an increase. The significance of this is emphasized in the increasing activity and general expansion in all branches of this particular sphere of mining, including production, development and exploration.

Some of the Canadian base metal producers, especially the miners of copper-bearing ores, have been fortunate in operating on ores containing appreciable precious metal values. This has proved of considerable assistance in preserving continuous operations with their attending benefits to not only the local mining communities but the country at large.

Provinces	Operations	Capital employed $	No. of employees	Salaries & wages $	Income from sales $
Nova Scotia	495	63,415,735	13,706	11,302,801	15,049,226
New Brunswick	563	4,998,656	1,480	1,123,080	2,185,174
Quebec	487	121,200,895	7,694	8,198,379	32,834,588
Ontario	5,196	244,250,088	16,376	24,412,126	85,868,259
Manitoba	133	21,349,000	1,730	2,106,017	11,396,818
Saskatchewan	115	6,013,271	924	748,782	1,626,807
Alberta	567	124,484,909	9,692	10,476,449	20,701,075
British Columbia	819	91,469,101	9,582	12,642,830	25,081,413
Yukon	5	8,029,918	286	761,585	1,835,351
CANADA	8,380	685,211,573	61,470	71,772,049	196,578,211

*—Value added by smelting.

QUEBEC GOLD CORP. ACQUIRES BUSSIERES

Treadwell-Yukon Sells Control to Montreal Interests

An official report by Quebec Gold Mining Corp. announces the acquisition of control of the Bussieres Mining Co., in which Treadwell Yukon Co., formerly held 90 per cent interest and R. M. Macaulay, vice-pres. of Quebec Gold Mining Corp., has taken over the direction of the mine as from November 1 last.

The Bussieres property, located in Louvicourt township, Quebec, was discovered by Georges Bussieres, prospector of Amos, P.Q. Treadwell-Yukon Co. started opening up the discovery in August, 1931. Surface prospecting, diamond drilling, shaft sinking to 700 ft. deep and opening up four levels, was completed in 1932 as was also construction of a hydroelectric plant and transmission line and a 200-ton mill. The mill was first started for sampling purposes only, but later changed to standard practice. Production began in November, 1932, first from development work entirely and latterly more and more from stoping, with production gradually increasing. Close to $1,000,000 has been spent to date on the property.

Smelter Gold Mines Starts Shaft Sinking

In an official progress report, shareholders of Smelters Gold Mines are advised that a complete mining plant has been purchased and shaft-sinking has started on the No. 1 vein of its No. 2 group of properties at God's Lake, Northern Manitoba.

The first level is to be established at 125 feet and development directed at proving up the gold encountered in drilling on this vein at a depth of 100 feet. In the meantime, surface trenching is under way on the Ankers vein, paralleling the No. 1 vein some 3,000 feet to the south. One diamond drill is working on this section and a second is being started before the end of the year. Holes are to be put down about 100 feet apart. This group of claims adjoins the God's Lake Gold Mines and is believed to be the westerly continuation of the ore found on that property. The company now owns approximately 1,800 acres in three large groups.

The financial position of the company is reported in good shape with provision made for approximately $750,000, the Kirkland Hudson Bay Gold Mines having purchased a large block of treasury shares to finance operations.

Nova Scotia Gold
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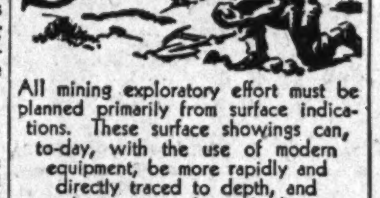

All mining exploratory effort must be planned primarily from surface indications. These surface showings can, to-day, with the use of modern equipment, be more rapidly and directly traced to depth, and the extent of ore-bodies proven, than was possible even a few years ago. Maple Leaf Mines' development work on several Gold properties has shown promising surface findings. Diamond drilling on the Casey-Summit which is being financed by Maple Leaf showed very favorable results and the shaft has reached a depth of over 200 feet with cross-cutting under way to the No. 2 vein. Write for full details of this interesting "Junior" gold enterprise to
MID-CANADA EXPLORATION CO., LIMITED
500 DOMINION BLDG., TORONTO
WAverley 2911

November Nickel Exports Valued at $2,443,365

The November export of nickel in ore, matte, or speiss was 3,698,600 lbs. of the value of $666,115, of which 2,174,900 lbs., valued at $391,482 went to Great Britain; 1,135,000 lbs., valued at $204,667 to the United States and 338,700 lbs., valued at $69,966 to Norway.

The export of fine nickel was 4,281,000 lbs., of which 1,232,800 lbs., went to the United Kingdom, 2,351,100 lbs. to the United States, 488,800 lbs. to the Netherlands, 146,200 lbs. to Japan, 56,500 lbs to Germany and 5,600 lbs. to Australia.

Nickel oxide export amounted to 601,500 lbs., of which 447,600 lbs. went to the Netherlands and 153,900 lbs. to the United States.

The total export of nickel in November was valued at $2,433,365, compared with $2,435,472 in October and $754,387 in November, 1932.

Ventures Cash Assets $150,000 on December 15

An interim report on the financial position of Ventures Ltd. as at December 15, 1933, shows cash and dividends receivable in excess of current liabilities of approximately $150,000.

Against this the company has commitments for firm purchases of shares and development expenditures, not yet due, of about $36,000, including the firm purchase of 110,231 shares of Canadian Malartic Mines at 20 cents per share.

Index to Mining Shares

The weighted index number of twenty mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100 was 105.2 for the week ending December 14, as compared with 107.5 for the previous week.

Eleven gold stocks fell from 103.2 to 100.0, four gold-copper stocks rose from 135.7 to 131.6, and five silver and miscellaneous stocks declined from 37.4 to 36.29.

Sheriff Sees Employees Paid

Production valued at $882 has been turned over to employees at the property of the Canusa Gold Mines by the sheriff of Cochrane. A 50-ton pilot mill was constructed two years ago, but never got into commercial operation.

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Adel. 6028

PREMIER OPTIONS ALEXANDRIA MINE

New Developments in Area Brings About Another Try

From Our Own Correspondent

VICTORIA.—The Alexandria mine at Phillips Arm, 120 miles north of Vancouver, is under a working option by the Premier Gold Mining Co., and extra men put to work on the property in preparation for more extensive development.

This property has been held for a number of years by a group of British Columbia mining men headed by C. H. Dickie, of Duncan, Vancouver Island. It was tried out four or five years ago by an Eastern concern, the work being done under the supervision of Thomas Davey. Late in 1931 the International Mining Co. took an option but did no work and in February, 1932, it was examined by representatives of the McVittie-Graham Mines, but this option was also dropped. A few months ago an option was secured by Grant Mahood, but no work was done and the option was cancelled.

The recent success of the Enid-Julie Mines on Phillips Arm just above the Alexandria, is said to be the chief reason for the sudden interest of the Premier in the project. The values found on this property are the more significant because the strike of the veins carries through all the properties in that vicinity, including the Alexandria.

Beaver Silver Return Over $100 Per Ton

From Our Own Correspondent

VICTORIA.—Returns on a shipment of forty-seven tons of ore from the Beaver Silver Mines, to the smelter at Trail amounted to $4,707 or more than $100 per ton, according to a report issued here by C. M. Oliver, president of the company. Mr. Oliver stated that the shipment would net the company $90 a ton after deduction of smelter charges and transportation costs.

Henry Lee, M.E., has been appointed consulting engineer for Beaver Silver and is now directing operations for four Beaverdell operations—the Bell, Highland Lass, Sally and Beaver.

Mr. Oliver states that the company expects to maintain shipments at the rate of a carload per month.

McLeod River Mining Season of Experiment

The dredging operations of the McLeod River Mining Corp., which started in May of this year were suspended in the middle of October after a season which was largely experimental in an effort to solve the company's problems.

What was first thought to be purely a mechanical difficulty in recovery proved to be a combination of metallurgical difficulties. The black sands were found to contain titanium. Some several hundred dollars, however, were recovered by the dredge and work is now centred in solving the various problems before the break-up next March, when operations are to be resumed.

Additional mining news on page 15 this week

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Miller Independence Mine Starts Rehabilitation

Work has been resumed at the Miller Independence Mines in Pacaud township, Boston Creek area, Ontario. Present work is directed at constructing a compressor and hoist house as well as a bunk house. Fire destroyed a number of the company's buildings early in the year and as soon as this reconstruction is completed the mine is to be dewatered. First work will be centred in the "C" shaft area, where old workings were carried to a depth of 300 ft. Cross-cutting will be undertaken on the first or 100-ft. level to intersect the No. 1 vein showing good values in diamond drilling. Drifting will then be done on this vein to intersect the rich calaverite vein.

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Hon. Michael Dwyer
Minister of Public Works and Mines
HALIFAX, N.S.

THE Management and Staff of Sorel Steel Foundries Limited wish to thank their many friends and customers for their wholehearted co-operation during 1933.
It is their sincere wish that a Merry Christmas and a Happy and Prosperous New Year may be enjoyed by all.
A. G. Lamontagne, Sales Engineer, Toronto
P. H. Desrosiers, General Manager, Sorel, P.Q.
J. A. Critchley, Sales Engineer, Montreal
Sorel Steel Foundries Limited
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